Daily Report

Latin America

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Cuba

Robaina Criticizes UN Security Council Role, Blockade

FL0110163993 Havana Radio Reloj Network in Spanish 1418 GMT 1 Oct 93

[Text] In an interview with the Spanish news agency EFE, Cuban Foreign Minister Roberto Robaina stated that there is no greater feeling of insecurity in the world than when the UN Security Council is in session because no one knows who is going to be next to be awakened by bombs.

Robaina added that while demands are being made on some countries to promote greater democracy, there is no true democracy or openness within the UN Security Council. He noted that the speech he will deliver on 4 October at the UN General Assembly will center on this topic and on Cuba's condemnation of the blockade.

Robaina regretted the loss of power by the UN General Assembly. By contrast, he said, the UN Security Council—which consists of five permanent members with veto power and 10 nonpermanent members—is performing an increasingly decisive role.

In his remarks to EFE, Robaina said he does not believe the destiny of so many countries should be left in the hands of so few countries.

Robaina said it is very difficult for Cubans to understand why Africa and Latin America are not represented by any permanent member at the UN Security Council and why some countries, just because they are rich and powerful, are not required to be elected and have the power to demand that others hold elections.

Robaina added that the peoples must be tired of hearing at the United Nations wonderful speeches about the wide gap existing between the North and the South. One hears speeches there which, if implemented, mankind would have to be grateful for many things to the United Nations, he said.

Aside from the UN General Assembly, Robaina is keeping a busy agenda of diplomatic contacts with a view to obtaining support for a new draft resolution condemning the blockade imposed against our country by the United States for more than 30 years.

Previews UN Address

PA0210143793 Havana Radio Havana Cuba in Spanish 1300 GMT 2 Oct 93

[From the "Morning Information Review" newscast]

[Text] Cuban Foreign Minister Roberto Robaina has said in New York that the democratization of the UN Security Council and the condemnation of the illegal blockade imposed by the United States on the island for more than 30 years will be the focal points of an address he will deliver to the UN General Assembly on 4 October.

Robaina told the media that the Cuban Government last June presented to UN Secretary General Butras Butrus-Ghali a document condemning the U.S. refusal to comply with a resolution against Washington's economic, trade, and financial embargo, which was approved by this world organization in November 1992.

The head of Cuban diplomacy met at the United Nations with counterparts of eight countries, including Angola, Iraq, Namibia, and Uruguay, to learn about the positions these nations will assume during the debates of the 48th regular period of sessions.

'Democratization' Need Underscored

FL0410010493 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 3 Oct 93

[Text] Tomorrow, Cuban Foreign Minister Roberto Robaina will speak before the UN General Assembly. Since his arrival in New York, Robaina has met with three presidents, 31 foreign ministers, four multilateral organizations, and with African leader Nelson Mandela. Our foreign minister has been the focus of several press agencies, including, of course, our television reporters. From our reporters in New York we have obtained this exclusive interview with Foreign Minister Robaina for the "NTV, Sunday Supplement" program.

[Begin Robaina recording] Cuba comes here not only to defend the interests of its country. We want to talk on behalf of the poor people of the world. We want to denounce and say out loud that the world needs to know what the United Nations is. What the United Nations contributes. How can it be that they demand democracy for all countries and that there be no democracy in [words indistinct] the permanent members of the Security Council? How can it be that a continent such as Africa does not have a single representative? Who gave these five powerful countries the right to become the owners of this organization? [applause] Why do we have to hold elections and they do not? Let this democratization be for real and for everyone. [end recording]

Havana Radio Cites Robaina on Jetliner Pilot Case

FL0110152293 Havana Radio Rebelde Network in Spanish 0900 GMT 1 Oct 93

[Text] Cuban Foreign Minister Roberto Robaina has condemned the U.S. Justice Department's decision to cancel the air piracy trial of a Cuban pilot who diverted a Cuban commercial jetliner to Miami in December 1992.

Describing Washington's decision as arbitrary and unjust, Robaina contended that it will contribute to stimulating this type of international crime, which endangers human lives.

Robaina, who is attending the 48th session of the UN General Assembly in New York, charged that the U.S. authorities resort to every artificial mechanism to violate international laws and to every form of blackmail against Cuba.

Trial Cancellation 'Extremely Serious'

FL0110201793 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Oct 93

[Commentary by Jose Armas]

[Text] In December last year, a Cuban pilot—acting in complicity with some passengers—hijacked a commercial jetliner that was covering a domestic flight within Cuban territory and diverted it to Miami. To perpetrate this act of air piracy, the hijackers used violence within the aircraft, to the point of drugging a security guard.

Eight months later, in August, the South Florida federal prosecutor decided to press air piracy charges against pilot Carlos Cancio, who was the main perpetrator of the hijacking.

The U.S. Justice Department has now decided, however, to cancel the trial. Why has this decision, which violates international conventions on air piracy, been made? Why has it been made precisely to the detriment of Cuba, which has strictly adhered to its international obligations by complying with the laws and which has been extremely cooperative with the United States in this respect?

Is it perhaps that Washington is seeking to revive old practices followed by previous administrations that had brought insecurity and uneasiness to hundreds of people, U.S. citizens included? It is highly suspicious that the U.S. Justice Department's decision was made in the wake of a letter, which was worded in unusually threatening words, sent by leaders of the Cuban-American Foundation to Attorney General Janet Reno. The letter said that should the main perpetrator of the hijacking be brought to trial, this would cause great indignation among the Cuban-American community and it would be regarded as an act of treason in light of President Bill Clinton's repeated remarks of support of and solidarity with the Foundation's so-called cause of free, democratic Cuba.

How could Cuba accept a form of justice based on such premises? Could we perhaps agree to having matters falling within the jurisdiction of the two countries subordinated to the acts of blackmail, coercion, and bribery perpetrated by the Miami-based archenemies of the Revolution? Or is Washington perhaps seeking to subordinate international legal matters concerning Cuba to selfish, election-oriented, partisan interests?

As our country has stated, the U.S. Justice Department's decision is extremely serious. As a commentator, I believe that this decision will not benefit anyone and that such arbitrary actions may cause Cuba to go as far as revising its current policy on air piracy toward the United States.

Havana Notes Release of 1976 Airliner Attackers

FL0210182293 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Oct 93

[Text] The justice minister of Venezuela has granted conditional liberty to (Hernan Ricardo) and (Freddy Lugo), who are the perpetrators of an attack on a Cuban airliner in 1976, which caused the death of 73 people, including a fencing team, who had just won the Central American championship in that sport. In statements to the local press, the Venezuelan head of justice said that the measure of conditional freedom was based on the penitentiary laws that are currently in force in Venezuela.

Other people implicated in the attempt are (Luis Pozada Carriles), of Cuban origin and an agent of the Central Intelligence Agency, who escaped from prison in 1985, and (Orlando Bosch), who is accused of being the mastermind of the attempt and who was acquitted of all charges due to lack of evidence according to the trial.

Havana Cites WHO Official's Figures on Neuritis Toll

FL3009123293 Havana Radio Progreso Network in Spanish 1100 GMT 30 Sep 93

[Text] Dr. Bjorn Thylefors, director of the World Health Organization [WHO] program on visual diseases, has stated in Geneva that now that the neuropathy epidemic has been brought virtually under control in Cuba, an international effort to supply economic aid to Cuba must be undertaken.

He stated that his program will now focus its cooperation efforts on specific consequences of the epidemic, especially taking into account that there are at least 1,700 Cubans who have markedly lost their vision because of the neuritis.

The WHO official emphasized the Cuban officials' effort in fighting the epidemic, which has affected 50,670 people since it first appeared in 1992. He added that treating the disease entails a considerable financial burden on the Cuban economy, which is already going through a difficult period.

Commentators View Economic Course

FL3009215093 Havana Radio Rebelde Network in Spanish 1600 GMT 30 Sep 93

["Straight talk" program with host Juan Carlos Roque Garcia and JUVENTUD REBELDE journalist Osvaldo Rodriguez]

[Text] [Roque] Today, we are going to discuss a very controversial topic: Which way is the Cuban economy heading?

[Rodriguez] Greetings, friends. I believe, Juan Carlos, that we touched on this topic earlier here during a round table discussion.

[Roque] Yes, this is a follow-up discussion.

[Rodriguez] Not so few people abroad are predicting that the Cuban economy will collapse. I believe this is no secret to anyone. Nor is it a secret that an increasing number believe that Cuba has solid bases to resist the blow, to recover, and to resume its development. Proof of this is the fact that sociopolitical stability has been maintained on our island amid the worst crisis ever experienced by today's generation of Cubans. All this is reflected in phrases like, when we overcome this situation, or, when this situation gets better because it will have to improve some day, right? I believe the number of optimists is much higher than those who have already lost hope. There are those who hold absurd ideas, such as that no economy can survive on donations, tourism, or foreign investments.

[Roque] Do you know anyone holding such a position?

[Rodriguez] I must tell you that I have not personally met anyone with such ideas.

[Roque] I mean, could you give us some examples?

[Rodriguez] I could cite as an example those people whom I would call economists playing on the sidelines, those who are seeking to manipulate the people's feelings by telling them that the hardships we are enduring today as a result of the severe shortages are provoked by causes that could be solved inside Cuba. They claim these causes will be removed by ending the government's stubborness and by applying magic formulas that would pull the country out the crisis in a matter of days. No one should be misled.

Today, we have no powerful friend to give us soft loans and meet the basic needs of our society. By contrast, we are not in a blind alley, either. We are, however, on a dangerous edge.

[Roque] Osvaldo, as a patriot I want to tell you that I share your optimism, in part. I would like you to elaborate on the idea of our being on an edge. I mean, ordinary people cannot readily envisage some solutions, even through they may be confident that solutions will be found. The deterioration of our domestic economic situation could give some the idea of chaos and, in such a case, it would be more difficult to see how a solution will be found. I believe you should explain that now.

[Rodriguez] It is true that the deterioration of our domestic economic situation creates in individuals a justified sense of chaos. Just imagine if you arrive home and there is no electricity; there is no cooking gas; your rice ration is depleted; there is no hand soap; there is water leaking from a faucet but no part to fix it, and you had been waiting for long hours for the bus to get home.

[Roque] That is when you start speculating.

[Rodriguez] Yes. Of course. Under such circumstances, what would you think of the country's situation? That is, of course, your surrounding world. No one could then appear on "Straight Talk" and tell you that the country this year obtained a larger income from tourism, and that the Cuban energy situation has markedly improved.

[Roque] Could you propose a solution to all this?

[Rodriguez] Even I had one, I would not dare say it because many listeners would immediately turn their receivers off and accuse me of millions of things.

[Roque] What do you suggest then?

[Rodriguez] I suggest that we refrain from overwhelming that individual with our evaluations. It would be better for each person to make his own evaluation. Later, we could talk to them and urge them to accept our arguments for use in making their own analysis.

[Roque] Which arguments could we use?

[Rodriguez] It is my desire to offer the people a drop of hope to boost their faith that we will find a solution. Those advocates of absurd theories contend that no economy can survive on the basis of donations, tourism, or foreign investment.

Has anyone in Cuba endorsed such a far-fetched idea? I would also ask whether the future of our country could be based on such weak grounds that it would be more dependent on contingent situations than on stability. No, no, I believe these absurd theoreticians are mistaken.

I would like to tell these people—I mean, our friends who are listening to us, not those absurd theoreticians with whom I have nothing to discuss—that the sugar industry is and will continue to be for a long time the country's chief means of support, despite the fact that the percentage of foreign income for which it accounts has dropped sharply, to only approximately 35 percent this year. Tourism is also bound to be another strong pillar of the Cuban economy. Right behind tourism are nickel, biotechnology, and the entire pharmaceuticals industry. Anyone who is well informed about the potential and facts relating to these activities will realize that these activities alone will be instrumental in rescuing the country.

Yet, these are not our only means of support. The policy of authorizing and stimulating foreign private investment seeks several objectives, primarily to gain access to technology and to markets from which Cuba has been excluded as a result of the Yankee blockade. It will also allow us to operate with fresh money that would, in turn, generate new trade opportunities.

We also have tobacco, some metalworking products, sea food, joint ventures, which are other sources of income that should not be overlooked.

[Roque] I was surprised to hear you mention the metalworking industry as one area that would help us promote our economic development.

[Rodriguez] You are surprised, but the Cuban metalworking industry—even though today perhaps somewhat stagnant because of our well-known situation—is one area having great potential for helping us diversify our foreign trade.

As an example, I want to cite a product that has been quite successful: the Taino engine. This engine could compete today on the world market. It may not be the best engine in the world, or perhaps it would not compete with the best engines in the world; but in terms of cost and performance, it could replace some engines in Latin America.

For instance, cane combines are using this engine. This combine alone is an export item that appears to be quite promising for Cuba. We have the expertise, we have the technology, we have a factory; but what are the difficulties confronting cane combines? Perhaps, some parts that are not of very good quality, parts that in the past we used to bring from the old Socialist Bloc. Perhaps we should now import better quality parts from other countries. Many foreign specialists regard the Cuban combine as being technologically sound. So it is an item that could successfully compete on the foreign market.

We could also mention Cuban steel items, which are of high quality. For instance, Cuban steel rods have markets in our region and are in fact being exported. Right now, the technological modifications conducted in Antillana de Acero to eliminate the Martil furnaces and do the smelting in modern electric-arc furnaces reduce the cost of the steel rods. This could also be a competitive factor. There are other fields, such as domestic efforts being conducted in Inpud [expansion unknown], in Santa Clara, that could also result in other small productions. I believe this has a future.

[Roque] Osvaldo, you were talking about the areas on which we are focusing to overcome the present economic situation and to recover. So far you have spoken of imports; but it is important to also explain what is happening in national terms.

[Rodriguez] Once, I was talking with comrades who were saying: "Why am I being told so much about cane when I do not eat cane?" Because, regarding external and internal issues, the best understanding takes place when at our dining tables or in our living rooms we feel the direct effect of commercial transactions that sometimes seem very remote. For example, I speak of steel rods and you may not see how steel rods relate to you. However, the money from exporting steel rods perhaps serves to import milk for your child.

[Roque] I, at least, can see this; but I like it when you give these examples because there are many listeners, even people who call on the phone, who ask questions that one cannot answer. I am glad, above all, that we are talking straight, with examples like the one about the milk.

[Rodriguez] Yes. For example, at the end of the last sugarcane harvest when the commander in chief announced that the sugar deficit would result in $500 million less in income for Cuba, a harder second semester was foreseen. Yet, at that time perhaps many people did not understand what had happened until the crisis of the power outages was upon us. The worst part of it took place in August. Then we understood that this was the result of the reduction in sugar exports that was caused, undoubtedly, by the flooding in the eastern provinces. It was then that many people saw how sugarcane hits home. With this, I want to stress that each of our export efforts affects our daily lives.

However, I must stress that any self-respecting economy must try to produce enough to meet most of its domestic needs as a way of guaranteeing lower costs and, above all, guarantee the markets. Of course, qualitative factors ensure competitiveness even in terms of the domestic market. This is one of the great problems we have had when we had production, not today when we have a deficit.

In the current estimates to overcome the economic crisis, local productions represent an essential link in this chain that will get the country afloat. Within these productions, everything having to do with food is of extreme interest. One sign of this is the new state land use method being implemented today.

[Roque] Your words let me see that the solutions are there, en route. Perhaps soon we can speak of results on this program. I do not believe it would be absurd to speak of specific results, in time.

[Rodriguez] Of course, but we should not raise false expectations.

[Roque] I agree.

[Rodriguez] We always go to extremes. When we first spoke of microjet plantains, the media somewhat exaggerated the results of the microjet plantain.

[Roque] Particularly with images.

[Rodriguez] Yes. Everyone thought the microjet plantain was this big, or otherwise it was not a microjet grown plantain. Everyone thought that, today, we plant 10 microjet plantain caballerias; and tomorrow, 11 million Cubans were going to find their homes flooded with microjet plantains. I believe we should not promote false expectations about any of the steps being taken. Nothing here is just around the corner. Nothing will come about easily. Even if the outcome of everything were to be outstanding, we cannot speak of short-term results.

I believe that indeed, there is a solution; but the road is long. The road is so long and unexplored that not even the Wizard of Oz would stick his neck out and forecast a specific timeframe.

Roundup of Economic Activity Reported 24 Sep to 1 Oct

FL3009012793

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 24 and 1 October.

Radio Reloj at 1956 GMT on 24 September reports that Tropitur, a new tourist enterprise, will provide services to tourists visiting Havana Province, which is known to have a good road system. The report adds that Tropitur, under the motto "Your Friend on the Road," will count on a number of tourist facilities such as El Cayuelo complex, Villa El Salado, the Havana Club of Santa Cruz del Norte, and others.

Cuba Vision Network at 2220 GMT on 24 September reports that since August 1,900 metric tons of grapefruit have been exported to Europe from the Isle of Youth. The same newscast carries a PRELA report citing an announcement by the president of the Cuba-Lao friendship association that his country will donate 100 metric tons of coffee to Cuba.

Radio Rebelde at 2230 GMT on 24 September reports that Dr. Severo Garcia, chief of prenatal care, announced that Cuba has attained an infant mortality rate of 9.4 and a maternal mortality rate of 3.0. He said Havana City Province has rates of 9.6 and 2.4, respectively, all figures being lower than in 1992. The announcement was made at the Third Havana-93 Provincial Gynecology, Obstetrics, and Prenatal Care Conference in Havana's Ramon Gonzalez Coro Hospital.

Tele Rebelde and Cuba Vision Networks at 0000 GMT on 25 September report that a Villa Clara Province bicycle factory has manufactured 34,000 bicycles this year, making it the country's leading manufacturer. Production averages 5,000 units per month.

Radio Reloj at 1432 GMT on 25 September reports that "close to 40,000 persons benefit daily from the milk produced at 395 minidairies in Camaguey Province." The cattle-raising authorities in Camaguey have reported that these minidairies have 10,700 cows, all either Zebu or mixed-breed cattle, which are also used for meat.

Radio Reloj at 1958 GMT on 26 September reports that according to GRANMA, in 1992, 62 million visits to doctors were provided under the national health system, which averages six visits per Cuban, at no cost to the patient. Over 54,000 have become doctors under the Revolution, and 21,000 Cubans are presently following the six-year course of study. Of these 21,000 medical students, 2,500 are new students. The radio concludes: "No one and nothing will be able to deny the achievements by our people in the sphere of health because there they are, for the well-being of everyone."

Radio Reloj at 1932 GMT on 26 September reports that the Santiago de Cuba Province cooperative "Peasants Congress in Arms," in Segundo Frente Municipality, needs to harvest 14 caballerias of coffee that have average yields among the highest in the nation—127 quintals per caballeria—and has at present only 74 workers, not enough to harvest the coffee, which is at its peak. There are plans to bring in at least 150 more cooperative members. Last year, the cooperative divided over 160,000 pesos in profits among its members.

Radio Rebelde at 0900 GMT on 27 September reports that workers of the El Yunque coffee in Guantanamo Province are committed to obtaining an average of 200 quintals per caballeria. Their average production stands at 168 quintals per caballeria.

Radio Rebelde at 0900 GMT on 28 September reports that the (Fernando Chanar Pina) factory in Havana has resumed its production of toothpaste.

Radio Rebelde at 2300 GMT on 28 September reports that the Ministry of Construction is participating in the installation of 15 turbogenerators. One has been completed in the Brazil Agroindustrial Complex in Camaguey Province. The installation of a 4-megawatt generator in Matanzas Province should be completed by 25 December.

Radio Rebelde at 2300 GMT on 29 September reports that the national goal is 1,600 Basic Cooperative Production Units.

Radio Rebelde at 0900 GMT on 30 September reports that workers of the Guantanamo municipal dairy enteprise have produced 750,000 liters of milk 16 days ahead of schedule, despite the severe 90-day drought affecting the region.

Radio Reloj at 1949 GMT on 30 September reports that as of 1 October 1,400 harvesters will have joined the citrus harvest at the Victoria de Giron science and production complex in Jaguey Grande Municipality, Matanzas Province. "The joint work between the Victoria de Giron Citrus Fruit Enterprise and an Israeli firm is at present ensuring a stable supply of fuels and herbicides, (?key) products for ensuring a harvest better than those of past years."

Radio Rebelde at 2300 GMT on 30 September reports that Communist Party of Cuba [PCC] provincial officials met in Havana Province on 30 September to discuss the formation of Basic Cooperative Production Units in cane and non-cane agriculture, as well as other economic matters. The first non-cane unit in Havana Province is to be formed next week at the Melena del Sur Miscellaneous Crops Enterprise. The PCC officials held a news conference at which they announced that 39 Basic

Cooperative Production Units will be created for miscellaneous food crops and 146 for cattle-raising, counting both Havana and Havana City Provinces. At least one unit will be formed at every cattle-raising enterprise during October. Studies on the formation of units for citrus fruit and tobacco cultivation were also made. It was reported that the cold season planting is moving forward, and that this year 30 caballerias more will be planted in potatoes, 356 caballerias in tomatoes, 139 in carrots, and 114 in garlic. With regard to cattle-raising, stability in the work force has contributed to the halt in herd size decrease. As regards the creation of the Basic Cooperative Production Units in cane, it was explained that the 40 cane granges are going to be turned into 50 Basic Cooperative Production Units before 23 October, and that 1.234 million pesos' worth of equipment has been transferred to the new units. Lastly, the PCC provincial officials announced that the sugar harvest will begin on 1 December at the Habana Libre Agroindustrial Complex.

Radio Rebelde at 2300 GMT on 30 September reports that rice officials are discussing creation of Basic Cooperative Production Units and the status of the rice crop, which is 'very critical' because, being highly mechanized, it requires fuel, lubricants, and chemicals. In addition, harvesting and processing must follow a strict timetable, the interruption of which could result in the loss of the crop. Before the special period, Cuban rice farmers provided 50 percent of the national demand, or 250,000 tons; today they are producing approximately 25 percent.

Radio Rebelde at 1155 GMT on 1 October reports that in Ciego de Avila the first Cooperative Basic Production Unit in the cane sector has been created at the Fatherland or Death unit. It further reports that 400,000 bicycles have been ordered from China. A portion of this shipment has been distributed to Pinar del Rio. There are more than 750,000 bicycles in use in Havana City.

Radio Reloj at 1955 GMT on 1 October reports that up to August, Cuba had sold over a quarter million tons of cement on the international market and that this has enhanced the industry's self- financing by providing an income of $10 million. The cement workers' goal is to export 400,000 tons by the end of 1993 and 1 million tons in 1994. The revenue from cement sales helps finance other priority programs.

Radio Reloj at 1957 GMT on 1 October reports that the first Basic Cooperative Production Unit in the Guantanamo Province cane sector has been formed at the Argeo Martinez Sugar Mill. The Sugar Industry Ministry office in Guantanamo has said that the remaining units will be formed as quickly as possible, during October, with a view to the next harvest.

Havana Province Livestock Industry Reported Improving

FL0310225693 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Oct 93

[Text] Communists attending the 11th plenum of the Communist Party of Cuba [PCC] in Havana Province learned about the satisfactory progress in the recovery of the livestock industry in the province.

[Begin recording] [Politburo member Candido Palmero, identified by caption] We have already mentioned the efforts made in the housing sector to bring the workers to that area. We have mentioned the efforts made in the recovery of the number of people, and the support given by the municipal sponsors [los padrinos de los municipios], the party, and the government in general.

Today, we can say that the livestock industry is not [words indistinct] because until a few months ago it was a disaster. Last year, more than 30 percent of our cattle died, which is no longer happening. In addition, we are seeking variants with regard to the mini-cattle ranches, which undoubtedly are a solution. We should have approximately 800 by the end of the year. These are solutions, but we need people to run these mini-cattle ranches. We need people. I believe this is the image we should present in our assembly, because it is the truth. [end recording]

These statements were made during the 11th plenum of the PCC in Havana Province. Details on the changes in the agricultural and sugar industry sector were also given. Havana Province should create more than 80 Basic Cooperative Production Units in miscellaneous and sugarcane crops. This experience will be extended to the livestock industry in the near future.

During the meeting, (Pedro Sainz), a member of the PCC provincial bureau, explained the characteristics of the coming provincial assessment meeting to be held on 23 October at the Antonio Maceo school.

Delegates from the Ministry of Agriculture and the Ministry of the Sugar Industry in the province detailed preparations for the cold-season planting campaign and the beginning of the sugar harvest.

Pinar del Rio PCC Prioritizes Agricultural Problems

FL0310220193 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Oct 93

[Text] Delegates to the assessment meeting of the Communist Party of Cuba [PCC] in Pinar del Rio Province discussed the economy of that province. The party meeting centered its analysis on three main issues: the recovery in the production of the sugarcane and tobacco crops, and the food program in general. Pinar del Rio bears the main responsibility for the country's tobacco

production. It is for that reason that the national production depends heavily on what is produced in this province.

During the meeting, the most experienced tobacco growers shared their experience and agreed on the difficulties of the current campaign, expressing their decision to take on the challenge with interest and willingness.

During the assembly, statements were also made favoring the new forms of organization in the agricultural industry, since there have been encouraging comments among workers; above all, there seems to be a greater determination in the recovery of the sugarcane crop.

The planting process continues to be the weak point and the greatest efforts are aimed at this in order to complete the planting of 400 caballerias in the current cold-season planting campaign. The delegates also agreed that a new structure will not solve the problem if men do not work with all their might and strength.

Pinar del Rio Province communists also agreed on making the food program the priority in order to accomplish the main programs of the Revolution. The delegates who participated in the meeting selected their committee, which later elected its executive bureau.

Central Committee member Fidel Ramos Perera was ratified as first secretary of the PCC in Pinar del Rio Province. Closing remarks were made by Politburo member Maria de los Angeles Garcia.

Ciego de Avila, Santiago de Cuba Form First UBPC's

FL0410013593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 4 Oct 93

[Excerpts] The formation of the Basic Cooperative Production Units [UBPC] continues throughout Cuba. Our correspondents from Ciego de Avila and Santiago de Cuba report.

[Begin recording] [First correspondent] With the signing of this document, the (El Maniel) livestock grange was officially transferred over to its workers, thus forming the first UBPC in the noncane sector in Santiago de Cuba Province. [passage omitted]

For the leader of the (El Maniel) dairy farm, the best dairy farm in Cuba, the matter is simple.

[El Maniel dairy farm leader] The more you produce, the more you make. Just like us, now, here: The more we produce, the more we will make.

[First correspondent] Politburo member Esteban agrees, but goes a bit further.

[Lazo] We must see how much is earned, how much is saved, and how efficiently the work is done, but always with a sense of the fatherland, a sense of the country, a sense of development.

[Second correspondent] [Passage omitted] In the coming days, (?approximately) 35 UBPC's will be created in this province in the noncane sector, and 87 in the cane sector.

With all the conditions in place to ensure that UBPC's can be set up and begin operations, the first such unit in Ciego de Avila Province has been formed in the cane sector. The sugar workers of the Patria o Muerte Complex [words indistinct] this new economic organization. The unit has 134 caballerias; 100 percent of its land is under mechanization and 75 percent is under irrigation. Close to 180 workers make up the group, which at its first meeting promised to raise the yields per area. Workshops, storage depots, and crops for self-sufficiency are part of this cooperative's infrastructure.

Comrade Alfredo Hondal Gonzalez, a member of the Politburo and first secretary of the Communist Party of Cuba in Ciego de Avila Province, urged those present to struggle to attain a sustained increase in sugarcane production through the rational use of resources and appropriate attention to the workers and their families. [end recording]

Roundup: Criminal, Judicial Action Reported 28 Sep-30 Sep

FL0110225593

[Editorial Report] The following is a compilation of fileworthy reports on criminal activity and related judicial actions in Cuba carried on Havana radio and television in Spanish between 28 September and 30 September.

Radio Rebelde at 1700 GMT on 28 September reports that preventive measures against crime are only applied in Cuba. Article 83 of the current Cuban Penal Code covers antisocial behavior as the aspect that determines risk factors. Several sections of the code describe measures to be followed by municipal courts regarding crime prevention measures. The law establishes that a citizen can be brought before a court for being considered dangerous to society when, among other things, his behavior is habitual in terms of violence, provocations, violation of the rights of others, and parasitic behavior, and when his general behavior disturbs society or the public order. A tendency to crime is vital to determining the social risk index. This is a penal science concept developed in 1901 in Brussels.

Radio Progreso at 1100 GMT on 29 September reports that 14 people stood trial for stealing cases of canned tomatoes. Several defendants received sentences of 10 years for fraud while others received fines.

Radio Reloj at 1936 GMT on 30 September reports that the Matanzas Provincial Court has given a group of 10 residents of Jaguey Grande sentences of between one and two years' imprisonment for "continued antisocial and dangerous behavior." The radio reports that the fact that these citizens, most of them young, had no workplace, did not study, and did things detrimental to the peace of

the citizenry turned them into potential committers of crimes and acts of a counterrevolutionary nature. The radio says, moreover: "Agents of the National Revolutionary Police, the Office of the Public Prosecutor, and the courts in Jaguey Grande Municipality, Matanzas Province, are at present carrying out a social clean-up and prophylaxis operation [una operacion de saneamiento y profilaxis social] designed to maintain tranquility among the local population. The sentences handed down by the judges of the Matanzas Provincial Court are based on Article 72 of the Penal Code in force."

Castro Meets With Vietnam's Communist Party Secretary

FL0110181593 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Oct 93

[Text] Commander in Chief Fidel Castro met in the evening of 30 September with comrade Nguyen Ha Phan, secretary of the Central Committee of the Vietnamese Communist Party and vice chairman of the Vietnamese National Assembly Standing Committee.

Nguyen arrived in our country at the head of a high-level delegation of specialists as part of the exchange of economic information existing between the parties and governments of both countries.

The meeting was held in an atmosphere of friendship and solidarity in keeping with the traditional ties existing between Vietnam and Cuba.

Indian Delegation Meets With Balaguer, Trade Ministers

FL3009123593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 30 Sep 93

[Text] The Chief Minister of the Indian state of West Bengal, Jyoti Basu, is making an official visit to our country as the head of a delegation from that state. This high-ranking leader today toured the city museum and the historic center of town. During this tour, he expressed satisfaction that he was getting to see a piece of Cuba's history.

Basu, who is also a member of the Politburo of the Communist Party of India-Marxist, was met at the airport on 26 September by Jose Ramon Balaguer, member of the Politburo of the Communist Party of Cuba. During his stay in Havana, (?Basu has had meetings) with Balaguer himself; interim foreign minister Ramon Sanchez-Parodi; Ernesto Melendez, minister president of the State Committee for Econonic Cooperation; Foreign Trade Minister Ricardo Cabrisas; and Chamber of Commerce President, (Carlos Salsamendi).

At all these meetings, information of a political nature was exchanged, and the possibilities for strengthening economic relations were explored.

Minister Holds News Conference

FL0110010893 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Sep 93

[Excerpt] Jyoti Basu, visiting minister from the Indian state of West Bengal, has described the meetings he has had in our country as very useful and important. In a news conference this afternoon, the visitor said that as a result of the meetings, he has learned a great deal about Cuba's political and economic situation, and now has a more precise idea of the measures that have been implemented with a view to overcoming our difficulties.

[Begin Basu recording, in English with passage-by-passage translation into Spanish] We have had, India and Cuba, very good, friendly relations, for long years now, and we were the cofounders of the NAM [Nonaligned Movement] and we try to work jointly in international...[rephrases] various international forums. And the present prime minister, as a foreign minister, has visited Cuba. And also we have had the privilege of receiving Fidel Castro, President Fidel Castro, in India twice. And...[fades out] [end recording]

Basu also pointed out that, despite the geographical distance, there exist possibilities for economic and trade relations. He also said that the people of India feel very proud to be able to help the people of Cuba, explaining that he has been able to see the progress our country has made in the pharmaceuticals industry and biotechnology, among other spheres. Our countries—he stressed—play a very important role within the movement of nonaligned nations. [passage omitted]

Robaina Meets With Mexican, Indian Foreign Ministers

FL0210014293 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 2 Oct 93

[Excerpt] [Passage omitted] On 1 October, Foreign Minister Robaina met with Mexican Foreign Minister Fernando Solano and the first vice foreign minister of India. [passage omitted]

Castro Receives West Bengalis, Mozambican Legislator

FL0310233593 Havana Tele Rebelde and Cuba Vision Networks in Spanish 1700 GMT 3 Oct 93

[Text] Last night, Commander in Chief Fidel Castro met with the delegation of the Communist Party of India-Marxist [CPI-M] headed by Jyoti Basu, member of the CPI-M Politburo and chief minister of the Indian state of West Bengal. During the warm and fraternal meeting, they exchanged ideas on the situation in Cuba and India; specifically, the state of West Bengal.

On the evening of 1 October, Fidel also met with Marcelino Dos Santos, president of the Assembly of the Republic of Mozambique, who gave Fidel a message from Mozambican President Joaquim Chissano.

ANPP Vice President Meets With Venezuelan Senators

FL0110141193 Havana Radio Rebelde Network in Spanish 0900 GMT 1 Oct 93

[Text] Jaime Crombet, vice president of the National Assembly of the People's Government [ANPP], has held a working meeting with a group of Venezuelan senators. Discussed at the meeting were the Cuban institutionalization process and its electoral system. Crombet also gave explanations about the ANPP composition and duties and about the strengthening of ANPP committees.

Dr. (Rafael Carvalo), chairman of the Venezuelan Senate Health Committee, stated that the Cuban people must resolve their problems on their own, without foreign interference. He also praised the Cuban Revolution's social accomplishments and the Cuban political resolve to move forward at this complex period.

Alarcon, Other Politburo Members Attend PRC Celebration

FL0110152993 Havana Radio Rebelde Network in Spanish 0900 GMT 1 Oct 93

[Text] Politburo member Carlos Lage Davila yesterday attended a celebration marking the 44th anniversary of the PRC at the PRC Embassy in Havana.

Ricardo Alarcon, president of the National Assembly of the People's Government; Politburo members Pedro Ross Leal and Abel Prieto; other Cuban leaders and members of the diplomatic corps accredited to the Cuban Government were also present at the celebration.

Castro Benitez Appointed Ambassador to Turkey

FL0110173693 Havana Radio Reloj Network in Spanish 1420 GMT 1 Oct 93

[Text] The Council of State has appointed comrade Jorge Castro Benitez as the Cuban extraordinary and plenipotentiary ambassador to the Republic of Turkey.

Castro has been working as an official at the General Foreign Relations Department of the Communist Party of Cuba's Central Committee.

Machado Ventura Meets Iranian Ambassador Khajehpur

FL0210014093 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 2 Oct 93

[Text] In a solemn ceremony, Jose Ramon Machado Ventura, vice president of the Council of State, has received Gholam 'Ali Heydar Khajehpur, who presented his credentials as ambassador extraordinary and plenipotentiary of the Republic of Iran.

Interim Foreign Minister Ramon Sanchez Parodi and (Iraq [name indistinct] Tablisi), first secretary of the Iranian Embassy, were among those in attendance.

Inter-Caribbean Affairs

CDB Reports 'Sluggish Performance' in Caribbean Economy

FL3009232493 Bridgetown CANA in English 2159 GMT 30 Sep 93

[Text] Bridgetown, Barbados, Sept 30, CANA—English-speaking Caribbean economies have turned in an overall sluggish performance so far this year, maintaining 1992 trends, the head of the Barbados-based Caribbean Development Bank (CDB) said.

CDB President Sir Neville Nicholls, in a CANA interview, said the prospects of any major recovery occuring in the region depended on how fast the major industrialized economies are able to come out of lingering recession.

Nor was there much individual Caribbean governments could do to stimulate their economies through domestic policies because of the inherent vulnerability of their balance of payments, Sir Neville said.

"Until the industrialised economies recover meaningfully, and the demand for our goods and services increases, then it's going to be difficult for any significant or rapid recovery in the Caricom countries to take place," he said.

The CDB president said the region's less developed countries (LDCs) were expected to end 1993 with some economic growth, but sluggishness would continue to characterise the economies of the more developed countries (MDCs).

Sir Neville said he was not in a position, at this stage, to provide figures on the region's projected 1993 economic performance.

Looking at sectoral performances, Sir Neville reported some growth in tourism, especially in the cruise ship sub-sector, but he noted there was not an accompanying increase in tourist expenditure.

There were weak performances for agriculture and minerals.

He said agriculture was hampered by uncertainty over future export markets, especially in the case of bananas, as well as unfavourable weather and other problems.

Sugar production was down, an apparent result of weak world market prices.

In the case of minerals, crude oil production in Trinidad and Tobago declined but exports were up, the CDB president said.

Jamaica's bauxite production was up. In Guyana, however, output was down significantly because of equipment, management and finance problems.

Windward Banana Farmers Meet With European Interest Groups

FL0410001093 Bridgetown CANA in English 1546 GMT 3 Oct 93

[Text] Kingstown, St. Vincent, Oct 3, CANA—The Windward Islands Farmers Association (Winfa) is seeking to strengthen collaboration on bananas through a series of meetings with Central American farmers and European interest groups this month, Winfa officials said here.

The current series of meetings in Belgium, the United Kingdom and Germany which end October 18 result from contacts made by Winfa officials earlier this year during visits to Europe.

"The apparent conflict with Central and Latin American countries and the Caribbean is not so much a conflict of banana farmers of the various regions," Winfa programme officer, Renwick Rose said.

Latin American banana farmers are protesting a new European Community regime that maintains quotas for Caribbean producers.

Rose is representing Winfa at the series of meetings with representatives of the Confederation of Latin American Banana Producers and their union, members of the Caribbean Banana Exporters Association, Geest Industries, as well as non-governmental organisations in Europe who have been lobbying in support of Caribbean banana producers.

The meetings with Central American banana producers will serve to establish ways of averting areas of conflict and exchange ideas on what impact the July 1 institution of a new marketing regime for bananas in Europe is having on farmers.

Rose will also be meeting with German non-governmental organisations which have been trading with Latin America.

"In light of the importance of germany in the EEC and, in particular, in relation to bananas, it is important that we begin to establish some contact with people like that," he said.

Winfa, which has been involved in the banana lobby leading up to the implementation of the new banana regime, is currently laying the groundwork for an agricultural diverisfication programme in the four Windward Islands, Rose explained.

He said he will also be having discussions with officials of the European Commission in Brussels and the Commonwealth Secretariat.

Bahamas

Quarter Reflects One-Percent Decrease in National Debt

FL3009184693 Bridgetown CANA in English 1733 GMT 30 Sep 93

[Text] Nassau, Bahamas, Sept 30, CANA—The Bahamas' national debt fell by 13 million U.S. dollars—one percent—during the second quarter of 1993, the Central Bank said in its just-released quarterly report. This is the first time in more than five years that there has not been an increase in the national debt. The fall is the result of the new government's tight fiscal policies. The national debt stands at 1,338.1 million dollars. The second quarter of the year also brought a modest increase in tourism activity based largely on continued improvements in stopover traffic. Construction activity was "mildly stimulative" on account of some gains in residential investment, the bank said. During the second quarter, the government drew down less than one million dollars on its existing debt and retired 10.5 million on these obligations, of which 3.9 million represented a reduction of foreign currency liabilities, according to the central bank. However, during the first five months, domestic borrowing to meet budgetary requirements included 45 million dollars in long-term securities and 40 million in foreign currency loans from the banking system. An additional 13.7 million was secured from external sources. Government revenues fell by 22 million dollars for the first five months of the year to 218 million. Tax revenue, which represented 89.4 percent of total receipts, declined by 20.3 million to 194.9 million dollars.

Haiti

Havana Notes Balaguer Opposes Sending Troops to Haiti

FL0210141093 Havana Radio Progreso Network in Spanish 1000 GMT 2 Oct 93

[Text] Dominican President Joaquin Balaguer has announced that he will not authorize the sending of troops from his country to neighboring Haiti as part of the UN multinational force, whose purpose is to oversee the reestablishment of overthrown Haitian President Jean-Bertrand Aristide's government.

Joseph on Multinational Force; Doubts Aristide Return

FL0110154393 Port-au-Prince Signal FM Radio in French 1030 GMT 1 Oct 93

[Text] The multinational force that will soon be in Haiti within the scope of UN Security Council Resolution 867 is not a foreign occupation force; neither is it a technical assistance mission, according to Dr. Antoine Joseph [president of the Chamber of Deputies], who thinks it is a peacekeeping force. Within the scope of a technical

assistance mission, the Haitian Government could assume the right to present a work plan to the international community (?as regards) their needs, adds Deputy Joseph.

[Begin Joseph recording, in Creole] [Words indistinct] is first a (?country) that would (?have to) say: Well, here is what I want to realize, here is the plan that I want to realize, this is what I have, that is lacking. I want this. Until now, there has not yet been a police plan or a plan on the professionalization of the Army. (?Nevertheless), the men have already defined how they are providing their assistance and how [words indistinct] are going to work. I think this has prompted us to believe that it is not really a technical assistance mission (?contrary to what is being said). But there is a second thing. No matter what [words indistinct] cooperation that is coming to a country, he comes and works under the (?supervision) of the government. Consequently, if there are (?military advisers), they are supposed to work first with the commander in chief of the Army and at the same time they should be working under the supervision of the minister of defense. [end recording]

The president of the lower chamber says he has doubts as to the possible return of President Aristide on 30 October given the slowness in the implementation of the Governors Island Agreement. Joseph says that the parliamentarians have not violated even once the two agreements. Joseph calls on the three state powers to meet for consultations on the Haitian situation and the path to follow.

Radio Nationale Disobeys Government Closure Order

PA0210014593 Madrid EFE in Spanish 2355 GMT 1 Oct 93

[Text] Port-au-Prince, 1 Oct (EFE)—The Information Ministry today ordered the closure of Haiti's Radio Nationale, which is still in the hands of officials linked to the coup that overthrew President Jean-Bertrand Aristide on 30 September 1991.

This decision was made after a group of employees opposed to the appointment of Information Minister Herve Denis broadcast news unfavorable to the constitutional government.

Nevertheless, the journalists, disobeying the ministry's closure order, continued to broadcast news after the decree had been issued.

Prime Minister Malval Returns From Trip Abroad

PA0210224893 Madrid EFE in Spanish 2155 GMT 2 Sep 93

[Text] Port-au-Prince, 2 Sep (EFE)—Haitian Prime Minister Robert Malval returned today following a one-week visit to the Dominican Republic and the United States. The Haitian prime minister said he has the support of Dominican President Joaquin Balaguer and U.S. President Bill Clinton to strengthen the process for the return of constitutional order in Haiti. Malval also met with ousted Haitian President Jean-Bertrand Aristide, who was overthrown on 30 September 1991 by a group of officers led by General Raoul Cedras.

Malval said he also met with UN Secretary General Butrus Butrus-Ghali who reaffirmed that organization's desire to work to obtain the promised funds to help the Haitian economy.

The prime minister said he will organize a national conference to gather all the country's political sectors on 15 November. Malval indicated that the government is not planning to dismantle the Army and he called on all the country's sectors to strengthen democracy. He added that President Aristide is optimistic about his return to the country on 30 October. "The president considers this date as a day of happiness and of national reconciliation in Haiti's history."

Groups Demonstrate Against Caputo, Aristide Return

FL0110173393 Port-au-Prince Radio Metropole in French 1045 GMT 1 Oct 93

[Excerpts] The government declared 30 September as a day of reflection. This was an opportunity for the Revolutionary Front for the Progress of the Country [FRAP] and the Capois La Mort Organization to stage a demonstration in Port-au-Prince, a peaceful march against UN and OAS special envoy Dante Caputo and also against the ousted president's return to power.

The political organization called FRAP, that asked recently for Dante Caputo's expulsion from the country, showed again on 30 September its hostility to the UN and OAS representative in the Haitian crisis. The demonstrators, who were carrying the U.S. flag, also shouted their opposition to President Jean-Bertrand Aristide's return to the country. [passage omitted]

This demonstration was staged by FRAP and the Capois La Mort Organization. The demonstration took place calmly in Port-au-Prince, without incidents under police protection.

Jamaica

Consulate To Open in Havana To Strengthen Trade

FL0310235893 Bridgetown CANA in English 1211 GMT 3 Oct 93

[Text] Kingston, Jamaica, Oct 3, CANA—Jamaica's minister of industry tourism and commerce, Carlyle Dunkley, has pledged government support in any move to establish closer trading links between Jamaica and Cuba.

He made the remark while giving the main address at a recent function in the north coast town of Port Antonio to mark the inaugural voyage of the "Caribbean Queen".

The privately-owned vessel has a capacity of 128 passengers and will be making weekly calls at the city of Santiago in Cuba, in an effort to strengthen tourism and trading ties.

Dunkley noted that an agreement for closer co-operation in tourism and trading was signed in January by the Cuban and Jamaican Governments and he repeated the view that Cuba needed to be re-integrated into the political and economic life of the Caribbean. The minister said Jamaica would be establishing a consulate in Havana in January and noted growing interest in Cuba being displayed by the local business sector.

Expressing happiness at the launching of the "Caribbean Queen" the minister congratulated all who were instrumental in making it a reality. He said it demonstrated a high level of confidence in Caribbean tourism.

Solana on Request for U.S. To Suspend Border Blockade

PA0210223093 Mexico City NOTIMEX in Spanish 2056 GMT 2 Oct 93

[Report by correspondent Ricardo Alday]

[Text] New York, 2 Oct (NOTIMEX)—Mexican Foreign Secretary Fernando Solana has disclosed that today Mexico asked the U.S. Government to "review and correct" the "Blockade Operation" under way along a stretch of the border separating the State of Texas and Mexico. "The border issue should be resolved prior to the next Binational Commission meeting.... I believe it is affecting the positive atmosphere of coexistence that exists between inhabitants of both sides of the border," the foreign secretary said. Solana said the proposed blockade revision was presented to U.S. Secretary of State Warren Christopher at the bilateral meeting they held last Wednesday in New York.

Since 19 September the U.S. Border Patrol beefed up its forces in the area of the Ciudad Juarez (Chihuahua)-El Paso (Texas) passageway to stem the flow of undocumented immigrants.

"I believe the operation (blockade) is not helping to improve relations in the area of cooperation along the border between the two countries," Solana Morales pointed out.

The foreign secretary met today with UN Secretary General Butrus-Ghali, with whom he discussed various international issues such as Haiti, El Salvador, and the reformation of the UN Security Council.

Asked about Mexico's position on the presence of international observers at elections, a trend that seems to be gaining strength within the sphere of the United Nations, Solana said that "Mexico does not agree with it. We believe the fundamental exercise of sovereignty resides in elections.... we only accept Mexican observers.... and there will be no change in that sense" during the 1994 elections, stressed the foreign secretary.

The Mexican foreign secretary pointed out that in the event that the UN Security Council is reformed, Mexico would aspire to be one of its permanent members. "Mexico would aspire to be a permanent member" of the Security Council "or to hold the highest possible level of membership" within the framework of a possible reformation of the executive body's structure. "We are not seeking permanent membership at all [as received]; our goal is a more democratic council and a more participatory General Assembly," he said, "but in the event reforms are made, we would like to be among the leading members."

The Council is currently made up of 15 countries. Five of them are permanent and have veto powers—Russia, China, France, Great Britain, and the United States—and the remaining 10, which are not permanent, serve two-year terms that are renewed in groups of five every year.

During his speech at the UN General Assembly last Wednesday, Solana Morales underlined that Mexico wants veto powers to be revised and to have the number of members of the executive body at least doubled. The reformation process is expected to gain greater strength next year because the intention of many countries and that of Secretary General Butrus-Ghali is to reorganize the organization in 1995 when the Unite Nations celebrates its 50th anniversary.

Regarding U.S. President William Clinton's proposed creation of the post of "UN High Commissioner for Human Rights," Solana Morales said Mexico "does not like new bodies to be created because they complicate the bureaucracy." "However, we are not opposed to their creation if they are indispensable and as long as their tasks and spheres of action are perfectly outlined," he added.

The meeting with Butrus-Ghali ended the Mexican foreign secretary's official four-day New York visit, during which he attended the debates at the 48th UN General Assembly and met with over 20 foreign ministers.

Ω Money Laundering Investigations Under Way

93P2O378A

[Editorial Report] The Office of the Attorney General of the Republic and the Finance and Public Credit Secretariat (SHCP) are investigating money laundering in 13 states, according to a "government report" cited by the 17 August Monterrey EL NORTE. The two government offices have been investigating and auditing firms mainly in the tourism, construction, air transport, saddlery, shoemaking, and entertainment industries since February, according to the report. It mentions operations in Jalisco, Baja California, Tamaulipas, Nayarit, Nuevo Leon, Veracruz, Guanajuato, Quintana Roo, Sinaloa, Sonora, Chihuahua, Aguascalientes, and Chiapas. EL NORTE specifically notes cases under review in Guanajuato, where the state administration has identified 14 companies in the municipalities of Leon and Celaya involved in money laundering. The paper adds that "established, prestigious businesses are being investigated" because SHCP obstacles erected to establishing new enterprises have prompted drug traffickers to invest their profits in "traditional industries with well-established places in the market."

El Salvador

Further Cristiani Statements Upon Return From UN Trip

PA0310004993 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 29 Sep 93

[Report by Abiu Segovia from Comalapa Airport in San Salvador]

[Text] President Alfredo Cristiani has arrived in El Salvador after attending the 48th UN General Assembly bearing promises of businessmen who are very interested in investing in El Salvador.

[Begin Cristiani recording] There was considerable interest in Boston and I believe what is important is that several businessmen, who were there, expressed their intention to come to El Salvador to explore investment prospects. I think these meetings with the private sector allow businessmen to learn more about our country than they can learn through the media, which is strictly limited to the political area, the peace process, and other issues of this type. Through these meetings, businessmen also learn about our economic progress and our plans to increase exports and investment, and this helps them view El Salvador as an investment possibility. Greater investment in El Salvador means more benefits; such as new employment sources; opportunities for nontraditional exports, which will offset our dependence on just a few commodities; and an increase in exports, which will help close the trade gap. [end recording]

Referring to the cost of complying with the peace agreements, President Cristiani said that financing has been arranged though we are still awaiting nearly $87 million of the money pledged by the international community.

[Begin Cristiani recording] We asked the UN secretary general and officials from the United Nations Development Program to take more direct steps regarding donor countries that at the consultative meetings expressed their willingness to help. The purpose of our talks was to find a way to expedite the process so that these donor countries, which did not commit themselves, but expressed their willingness to help, can make this cooperation a reality. Obviously, without enough financing, the programs will not go as smoothly, and some of them—the transfer of land, for instance—are very costly. In this respect, there might be a financing problem. We expect that there will not be any problems from what we can see now, and by fully complying with the agreements, including those who are beneficiaries of the agreements, we believe that we will manage. We have made contacts with the United States, and we have been able to transfer some resources from the special budget to support the land transfer program. Summing up, from what we can anticipate at this moment, we do not see any serious problems. [end recording]

President Cristiani also referred to the comings and goings of the implementation of the agreement, the new police force, and the legal transfer of land. He blamed the delay in the latter on the Farabundo Marti National Liberation Front [FMLN] because of its attempt to incorporate additional demands.

[Begin Cristiani recording] There is some delay regarding the land program, but we explained the new procedure we are using to expedite it. The land transfer program will receive different treatment. Regarding the national civilian police, the process is going as scheduled: first, training at the academy; second, promotions; and third, deployment. We are also taking measures to speed up the other reintegration programs. It is worth noting that part of the problem stems from actions by the FMLN leaders, who always want the programs to include additional objectives. This attitude delays the implementation of the program because the FMLN is never satisfied with the way the program is organized. Therefore, the FMLN, and not the government alone, is responsible for the delay experienced, especially in the land transfer program. This is why we have decided to implement these procedures: to expedite the program and to spare us arguments that only cause delays. [end recording]

'Angels of Death' Group Threatens To Kill Young Hoodlums

PA0210175393 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 2 Oct 93

[Text] The self-styled armed group known as the Angels of Death Antiyounth Hoodlums Squad [Escuadron Anti-Maras Angeles de la Muerte] reappeared Friday in El Salvador, announcing it will act against young hoodlums operating in the western area of the nation. The squad made its first appearance several months ago when it killed three youths in the capital's La Fosa neighborhood. The youths were alleged criminals.

Yesterday, this clandestine group distributed a communique in which it threatened to eliminate young hoodlums in Chalchuapa in western Santa Ana Department. The communique claimed the group comprised former members of Farabundo Marti National Liberation Front and the National Army. The communique added: We have sworn to defend and struggle for the peace we achieved at the cost of many lives and through a great amount of bloodshed.

President Alfredo Cristiani has said on several occasions that his government will prosecute any armed group that attempts to take the law into its own hands, because this is unacceptable in a country struggling to enforce a state of law.

More on 'Angels of Death'

PA0310020593 Panama City ACAN in Spanish 0023 GMT 2 Oct 93

[Text] San Salvador, 1 Oct (ACAN-EFE)—A death squad made up of former soldiers and guerrillas emerged today in El Salvador and threatened to kill members of

criminal youth gangs in the western area, official sources have reported. The self-styled "Angels of Death Antiyouth Hoodlums Squad" today distributed a communique announcing it will annihilate the "gangs of young hoodlums" in Chalchuapa, Santa Ana Department, which borders on Guatemala and is located 78 km from the capital.

Chalchuapa Mayor Arturo Guevara confirmed for ACAN-EFE the existence of these "gangs of young hoodlums." He added that "they are armed and few people go out on the streets after about 2000 (0200 GMT)." He pointed out that the National Police arrest criminals but they are released by judicial authorities due to a "lack of evidence."

A police spokesman, who declined to identify himself, recognized the existence of the "gangs of young hoodlums" and of the communiques, which were issued by former soldiers and guerrillas, that were disseminated in Chalchuapa. He assured that "we have stepped up surveillance throughout the area and will be able to control any outbreak of violence." He also downplayed threats, that were also made against agents of that security corps.

In the note, the squad claimed to be made up of "a group of youths who fought in the Farabundo Marti National Liberation Front (FMLN) and the National Army. We have sworn to defend and struggle for the peace we have achieved that cost us so much blood and so many lives," the note says and adds that they will fight mainly "against crimes even at the expense of our lives."

The note warns local parents to forbid their children to leave their homes after 2100 [0300 GMT] because that is when the "antiyouth gang" struggle begins. "We also want to warn the UN Observers for El Salvador [Onusal] not to meddle in this because it seems they are here on holiday and not to supervise the peace that has cost us so much to attain," the communique states, which has a skull with wings with the slogan: "No to crime."

The "angels of death" also warn the National Police, judges, and judicial officials to avoid "collaborating" with the "youth gangs" otherwise "they will also be executed."

According to the local press, "youth gang" leaders have supposedly issued a communique seeking help from Onusal to "leave the country" in view of the death squad threats.

The government and the FMLN signed a peace agreement in January 1992, thus ending a 12-year war that left over 75,000 people dead and 7,000 people missing, according to humanitarian organizations, as well as property losses estimated at $1.8 billion. Up to know, neither the Salvadoran authorities nor Onusal have given an official version of the new death squad threats, despite the fact that they admit that the wave of common crime is one of the worst post-war problems.

FMLN Says Calderon Sol Using Government Funds for Campaign

PA0310125693 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 1 Oct 93

[Text] The Farabundo Marti National Liberation Front [FMLN] electoral commission has presented evidence of the use of state funds for Arena [Nationalist Republican Alliance] presidential candidate Armando Calderon Sol's campaign.

FMLN leader Gerson Martinez showed the media a document sent by the director of the Salvadoran Institute of Agrarian Transformation to cooperative leaders asking them to hold meetings with the ruling party's candidate.

Likewise, the FMLN member said employees in many ministries are forced to join Arena ranks. Such is the case of the Public Works Ministry employees. Another case is the millions spent by the government in publicity to covertly support the ruling party.

Gerson Martinez also said the government is pressuring the media to broadcast government advertisements as their own. Martinez said Waldo Chavez Velasco is directing this psychological warfare campaign from the government's Communications Secretariat.

Finance Ministry Submits 1994 National Budget to Congress

PA0310012393 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Oct 93

[From the "Up To Date" newscast—passages within quotation marks are recorded]

[Text] The Finance Ministry today submitted to the Legislative Assembly president next year's general budget bill. The budget amounts to 9.58 billion colones. This took place exactly three months before the budget comes into force, as the law stipulates.

The budget bill was received by Legislative Assembly President Roberto Angulo from Deputy Finance Minister (Edgardo Montenegro), who pointed out that the top three places in the budget will be occupied by the health, education, and public works areas, whose share of the budget will increase by 25 percent compared to 1993. The Education Ministry will receive 1.41 billion colones. The Public Health and Social Services and Public Works Ministries will receive 881.904 million colones and 1.28 billion colones, respectively. The Defense Ministry's share will remain basically the same at 866.483 million colones.

[Unidentified speaker] "The 1994 defense budget will not vary, but its share of the budget will. The defense budget used to be 11 percent of the general budget; it was reduced to 9 percent."

The bill, which the parliament will discuss next Wednesday in a plenary session, includes a significant

increase for public security. Thus, the National Police will receive a 200 percent increase.

[Unidentified speaker] "Almost half the budget was exclusively allocated to the health area. The justice area is also an important area. As you can see, this pie is bigger than last year's, which was 7.6 billion colones; this year's is 9.5 billion colones. The public security area also increased its share of the budget."

Although the size of the Armed Forces was drastically reduced after the signing of the peace agreements, the Defense and Public Security Ministry will get 9 percent of the 1994 general budget of more than 9.5 billion colones.

Next year's operational budget for the military institution will be the same as in 1993. This can be interpreted as a considerable decrease, Defense Minister Humberto Corado said. The high-ranking military officer said that this is part of the Army's new role in peacetime. This places the defense budget in fourth place, right behind health and education. [sentence as heard]

[Corado] "In real terms, the defense budget decreased because we were allocated the same amount as last year. Out of this budget, we have to pay the salary raises that were agreed upon. Logically, this means that a considerable part of our budget was decreased. The general budget was increased; thus, the share of the defense budget, in term of percentages, is smaller."

Minister Corado added that the collection of weapons exclusively used by the Armed Forces has concluded. Nevertheless, in view of claims that many private citizens still own these types of weapons, investigations will continue to gather them.

[Corado] "We have carried out what was under our control, but we know that due to the nature of the conflict itself, some private individuals still own weapons that we must collect. I believe that the new weapon possession law will place at our disposal a legal tool to complete this process, which I think is good for Salvadoran society."

Col. Corado presided over ceremonies at the 1st Infantry Brigade that concluded the civic month commemorating the 172d anniversary of the country's independence.

Cristiani Says No Reduction in Armed Forces Budget

PA0310132293 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 1 Oct 93

[Text] President Alfredo Cristiani explained that the budget does not include a reduction in appropriations for the Armed Forces because salary increases have been implemented in that organization. In a statement to the media last night, the president said that in view of the reduction in U.S. military aid, which covered a sizable portion of the defense budget, the government must now cover the expenses. The funds earmarked for the defense sector represent the fourth most important portion of the budget presented by the Finance Ministry.

Guatemala

Union Supports President's Call for Purge Referendum

PA0110134593 Guatemala City PRENSA LIBRE in Spanish 28 Sep 93 p 3

[Text] Numerous sectors yesterday expressed support for President de Leon Carpio's decision to ask the Supreme Electoral Tribunal (TSE) to immediately call a popular consultation to force the resignations of the deputies and the Supreme Court (CSJ) justices.

Labor leader Jose Pinzon of the Guatemalan Workers' General Central Organization (CGTG) said President de Leon Carpio's initiative to ensure a purge of the three state branches deserves the support of civilian sectors.

While offering his support to De Leon Carpio to end the sociopolitical crisis affecting the country, the labor leader said the deputies and Supreme Court justices have assumed an intransigent position by not resigning. "We believe it is an appropriate step in keeping with the interests of the population," he continued.

STOJ [Judicial Branch Workers Union] Expresses Satisfaction

The STOJ held a meeting yesterday afternoon in the lobby of the Court Tower. During the meeting, at which several reports were heard about manipulation by management to destabilize the propurge movement, those in attendance agreed to postpone measures of force until the outcome of the president's call for a popular consultation is known.

According to STOJ sources, the popular consultation is nothing more than a delay tactic by President de Leon, because this recourse merely represents a form of moral coercion. The sources concluded that even if the people vote against the authorities in the three state branches, if no constitutional reform is undertaken, all efforts will have been in vain.

Electoral Tribunal Convokes Referendum for 28 Nov

PA0310233993 Panama City ACAN in Spanish 2226 GMT 3 Oct 93

[Quotation marks as received]

[Excerpt] Guatemala City, 3 Oct (ACAN-EFE)—The Guatemalan Supreme Electoral Tribunal (TSE) has convoked a referendum for 28 November at the request of President Ramiro de Leon Carpio, who with the people's vote, intends to legitimize his proposal to purge the Congress and the Judicial Branch.

TSE Magistrate Mario Guerra Roldan told ACAN-EFE that the tribunal accepted the presidential request, very criticized by the political parties, because the two questions that will be included in the referendum are in keeping with the Constitution. The first question will be: "Do you support the president in his political decision to ask the congress deputies (116) to resign from their posts? Yes or No.

"Do you support the president in his political decision to ask the regular Supreme Court magistrates (9) to resign from their posts? Yes or No," is the second question, both of which will be published in the Official Gazette tomorrow along with the referendum proclamation.

Guerra Roldan said we, the TSE judges, "are not politicians, but a legal tribunal that reviews proposals from that angle. It is not up to us to decide if it is advisable to hold it or not or say if it is going to be expensive either."

The referendum, which will be the third one to be convoked in this country this century, will be held in the entire country the last Sunday in November at a cost of some 15 million quetzals (a little under $3 million), according to Roldan, who pointed out that attempts will be made to reduce expenditures. Guerra Roldan said over 3.4 million Guatemalans, who registered on the electoral lists before 29 August 1993, will be able to go to the polls, according to the law on elections and political parties. The magistrate added that the TSE has not yet determined how it will present the two questions to the illiterate population or to the Indians who do not speak Spanish because these are aspects that are not covered in the electoral law. He said, however, that the TSE will use symbols that can replace the questions and that have no similarities with those used by the political parties. [passage omitted]

Finance Minister Aitkenhead Reportedly Resigns

PA0310200693 Panama City ACAN in Spanish 1858 GMT 3 Oct 93

[Text] Guatemala City, 3 Oct (ACAN-EFE)—Guatemalan Public Finance Minister Richard Aitkenhead, the only member of deposed President Jorge Serrano's administration who was "handed down" to the current administration, has resigned due to a disagreement with President Ramiro De Leon Carpio's economic team, a local newspaper reported today.

SIGLO VEINTIUNO, which attributes the report to sources close to De Leon, states that Aitkenhead will leave his office on 15 October after receiving the World Bank and IMF delegations that will visit Guatemala.

The sources cited by the paper say Aitkenhead, who at the beginning of Serrano's government (1991-93) held the post of economy minister, "will cease to exercise his functions after a virtual divorce between the economic cabinet and the presidential advisers."

Unions and popular movements have objected to this Serrano minister being in the De Leon administration, blaming Aitkenhead for the economic crisis the country is experiencing as the result of neoliberal measures and for supporting the corruption of Serrano, who sought asylum in Panama.

During the former administration, Aitkenhead promoted a tax reform, known as a tax package, which generalized the value-added tax, reaching 7 percent in Guatemala.

He also conducted a fiscal modernization process, although he has not succeeded in passing new laws to regulate territorial tax, vehicle circulation, and fuel.

The Guatemalan legislature was closed on 26 August, when De Leon requested the "voluntary purge" of its 116 members.

During the current government, which assumed office on 6 June, Aitkenhead has been trying to find, with the help of international organizations and friendly countries, the $150 million necessary for De Leon's "180-Day Plan," by which De Leon intends to combat poverty and reinforce democracy.

President Denies Resignation

PA0410013393 Panama City ACAN in Spanish 2335 GMT 3 Oct 93

[Text] Guatemala City, 3 Oct (ACAN-EFE)—Guatemalan President Ramiro De Leon Carpio today denied that Finance Minister Richard Aitkenhead Castillo is going to leave his post. He also said that if the minister resigns, he "will not accept" the resignation.

Aitkenhead told the media today that De Leon has the resignation he presented in June when he began working as minister for the new government, but he denied that the resignation is effective on 15 October, as the newspaper SIGLO VEINTIUNO reported.

The president said he is not willing to accept the finance minister's resignation because "at this time" he cannot do without his services. The president and the minister attended an event for peace and reconciliation in Guatemala at the Santo Domingo Basilica. Guatemala is the only Central American country where a civil war, which began in 1960, continues to be waged.

Aitkenhead is the only member of the cabinet of deposed President Jorge Serrano who was confirmed in his post by Ramiro De Leon, who took office on 6 June. Aitkenhead's permanence in the De Leon administration has been questioned by labor and mass organizations, which blame him for the country's economic crisis due to the imposition of neoliberal measures and for endorsing acts of corruption by Serrano, who has taken asylum in Panama.

President To Present Peace Proposal 4 Oct

PA0410013493 Panama City ACAN in Spanish 2322 GMT 3 Oct 93

[Text] Guatemala City, 3 Oct (ACAN-EFE)—Guatemalan President Ramiro de Leon Carpio will present tomorrow, Monday, his peace proposal for the country, the only one in Central America where an armed conflict with guerrillas continues. The peace proposal will be made public by President De Leon in a national radio and television address, 24 hours before Guatemalan Foreign Minister Eduardo Fajardo presents it to the UN General Assembly in New York.

The peace plan calls for a resumption of the dialogues with the Guatemalan National Revolutionary Unity (URNG) guerrillas and the establishment of a multisectoral forum, with the presence of the rebels, to review, among other issues, the extreme poverty adversely affecting over 70 percent of the population in this country. The United Nations will play a fundamental role in the talks. It will be a moderator between the government and the guerrillas and it will be up to the United Nations to verify the cease-fire, the demobilization of the rebels, and the signing of the peace agreements.

With UN participation in the peace talks there will be international verification of the negotiations and political and economic support will be obtained from other countries, such as the group of "Friendly Countries," which include Mexico, the United States, and Spain.

This peace initiative has been drafted by the government's Peace Commission headed by Sociologist Hector Rosada Granados, who has replaced Archbishop Rodolfo Quezada, the mediator in the talks that were held during the government of ousted President Jorge Serrano. Quezada, who was appointed by President De Leon Carpio as "mediator for the life" of the peace process criticized the fact that he has been replaced in the dialogues with the URNG and said "the stone rejected by the builders has become the cornerstone."

Quezada, however, has not been separated from the peace process because he will be responsible for the coordination of the "Permanent Forum for Peace," in which the civilian sectors and a political representation of the URNG must participate to discuss the national problems. The bishop held a mass "for reconciliation and peace" today at the Santo Domingo Basilica, which was attended by President Ramiro de Leon Carpio and his ministers, along with numerous parishioners. Without mentioning his role in the peace process, Quezada said that "to consolidate true peace there is nothing better than to return the dignity to those who are being repressed and are being forgotten," in a country that "does not enjoy true freedom" and that is "frustrated with so many unfulfilled promises."

Quezada asked Our Lady of the Rosary to bless "all persons in Guatemala, the widows, the orphans, and refugees, especially the poor and the needy." The Catholic Church has expressed its support for a pact [illegible] branches of government and for a referendum, but has avoided speaking out on the peace proposal leaked to the media several days ago.

Government To Request UN Mediation To End War With URNG

PA0310042393 Mexico City NOTIMEX in Spanish 2345 GMT 2 Oct 93

[Excerpts] Guatemala City, 2 Oct (NOTIMEX)—Official sources indicated today that on 5 October Guatemala will ask the United Nations for its mediation to end the war between the Army and the guerrillas and that it will propose a bilateral cease-fire while peace negotiations are held.

The sources added to NOTIMEX that Guatemalan Foreign Minister Arturo Fajaro will request that the United Nations appoint a mediation commission for the negotiations to be held soon by the government and the guerrillas. The foreign minister will speak to the 48th UN General Assembly and within point 8 of the agenda on the "situation in Central America," he will explain the peace plan that seeks to end the region's last armed conflict.

Since April 1991, the Guatemalan National Revolutionary Unity (URNG) and the government have held nine rounds of negotiations, which have been at a standstill following the break in constitutional order on 25 May. The government of President Ramiro De Leon Carpio, who took office on 6 June, hopes that the United Nations will agree to negotiate the operational aspects with the guerrillas and will subsequently verify the signing of the agreements, it was officially reported.

The president will make known to the nation on 3 October the content of the document that sets the bases for the resumption of the talks with the guerrillas who have been fighting the Army for nearly 33 years. [passage omitted]

The new plan for the negotiations, which the government will make public on 3 October, seeks to remove essential political and social issues from the negotiations and instead have them be addressed by the permanent forum for peace. According to the new proposal, these issues would be discussed in Guatemala by various sectors while a commission of the Army, officials of the Peace Commission, and guerrillas would discuss operational aspects for the demobilization of guerrilla forces and a cease-fire. [passage omitted]

Nicaragua

General Ortega on Strike Situation; Defends Brother

PA0110222893 Managua LA PRENSA in Spanish 28 Sep 93 pp 1, 10

[Text] Armed Forces Commander General Humberto Ortega said on 27 September that the recent violence during the transportation strike and by the rearmed groups in northern Nicaragua were caused by unwise decisions and by the failure of Violeta de Chamorro's government to honor commitments.

The General Defends His Brother

Gen. Ortega thus supported his brother, former Sandinist President Daniel Ortega, who attributes the Nicaraguan crisis to the "incorrect neoliberal policies" the government is trying to implement.

Daniel Ortega has faced strong criticism from members of his own party for promoting the violence during the strike by drivers of the "Parrales Vallejos" Sandinist union.

Ortega Stubborn: Will Not Leave Post

Gen. Ortega reiterated that he will not quit his post next year, as President Chamorro had announced. Ortega, who has been commander in chief of the Sandinist People's Army [EPS] since 1979, resolved together with his general staff not to accept Chamorro's decision to retire him next year.

In statements to the Costa Rican newspaper LA NACION on 12 September, Ortega said he would remain at the head of the EPS until 1996, noting that a humiliating retirement could cause "great instability" in Nicaragua.

Chamorro's 2 September announcement prompted the so-called "crisis of the military," who charged that Chamorro had disregarded existing military provisions by announcing Ortega's retirement.

EPS Announces Military Action

Gen. Ortega added that the Army "will not allow" groups of armed criminals to attack farmers after the deadline established by the recently approved amnesty law on the demobilization of the rearmed groups expires.

Ortega spoke to national and international newsmen during an intermission at a meeting held with the National Union of Farmers and Cattlemen [UNAG], which was held in one of the buildings of the old Military Academy. At the meeting Ortega said the EPS will fight those criminal gangs that interfere with agricultural activities.

During a meeting with his general staff, Gen. Ortega said that there must be a "comprehensive effort" among the military, farmers, and cattlemen to neutralize those armed groups that interfere with agricultural activities.

Ortega said: "The deadline for the disarmament process established by the amnesty is this coming Wednesday." He added that "the EPS has been supporting and defending the farmers from criminal gangs that have attacked them." Ortega also said there will not be any more enclaves for rearmed groups after the disarmament period established by the amnesty expires.

Speaking on behalf of the UNAG, leader Ariel Bucardo said this sector believes that political parties are "immersed" in their struggle for political power; therefore, "we have asked the Army for support to carry out joint actions."

According to Bucardo, these actions seek to save the remaining production for 1993, which "will allow us to survive and not to starve."

General Criticizes the Government

Regarding the current situation, Ortega said the "greatest effort" should be made to engage in dialogue, "to reach agreements, and to comply with them." Ortega emphasized that a comprehensive effort should be made because it is necessary for all of us to take "comprehensive measures."

Ortega also said there are "people in the Executive Branch who want a protest plaza to be built in Nicaragua for people to protest for one, two, or three years, in view of the government officials' indifference."

Ortega explained that the Army will not favor a "coup d'etat," and will never use its tanks against the people." He noted that "the police and the Army cannot be used arbitrarily or just for any purpose," thus stating his position on presidential orders.

Ortega Says EPS To Oppose Criminal Armed Groups

PA0210005193 Managua BARRICADA in Spanish 28 Sep 93 pp 1, 10

[Report by Olivier Bodan Zeledon]

[Text] During a recent meeting with UNAG [National Union of Farmers and Cattlemen] leaders, EPS [Sandinist People's Army] Chief General Humberto Ortega Saavedra announced that the Armed Forces will take military action against irregular groups interfering with the country's production. Gen. Ortega predicted that the irregular groups that still refuse to surrender their weapons could disarm in the next few days. That would allow the Army to focus its military operations "on those smaller groups" that decided not to take advantage of the amnesty proposal.

"There will be no more enclaves. The recompas and recontra enclaves only served to encourage criminal situations," and from now on there will be more safety

for farmers, the military chief promised. He did state, however, that increased safety measures to protect farmers would fall short "if, at the same time, it is impossible to overcome the economic programs" described by the farmers as "totally insufficient."

"There must be an all-out joint effort. We must combine the military effort with a serious attempt to amend those policies described by farmers as misguided. There must also be a commitment to respect the agreements that the farmers insist have not been honored" Ortega said.

As to the transportation sector protest, he condemned the protesters who fired on the police. He also admonished ministers who turn a deaf ear to the people's demands and do not expect protest marches in the streets. "Violence is not just erecting a barricade or firing a rifle, it is everything that opens the door to these types of actions," he indicated. Ortega added: "We will never stage a coup because our tanks and soldiers will never fire against those who are deprived and are making specific demands which, in the transportation sector's case, have received international support."

Rural Area Insecurity Raises Concern

Gen. Ortega revealed that several days ago at least 20 criminals were disarmed in Matagalpa and Jinotega. The criminals had been involved in counterproductive activities in the region. Ortega said the Army will not tolerate any group that "goes to Managua or the rural area armed and represents a threat to peace as well as the authorities."

He added that the EPS will offer "all its support" to farmers, but "jointly, strategically, and in unison with all local and territorial forces" to combat insecurity in rural areas.

Currently, rural area kidnappings and extortion of farmers constitutes the "principal enemies of the Armed Forces," which, Ortega added," must be "thoroughly" opposed.

On the other hand, in referring to possible EPS support for the police to clarify the deaths that resulted from the transportation sector strike, Ortega said that "it is an issue to be determined by the police and the Government Ministry."

UNAG Director Ariel Buardo regretted the "extreme lack of security" for farmers and cattle ranchers in the northern Nicaragua that has resulted from assaults and attacks by rearmed groups.

The UNAG director criticized the fact that the political parties are so "caught up" in power struggles and are not "very interested in solving the serious economic problems."

Finally, Gen. Ortega noted that "we support the EPS' actions" to rescue the nation's economy.

LA PRENSA on Criticism of D. Ortega's Actions

PA0410014193

[Editorial Report] Managua LA PRENSA in Spanish on 27 September carries three articles on negative reaction by certain Sandinists to Daniel Ortega's handling of the transportation crisis.

The first article, which is published on pages 1 and 12 and is 200 words long, is entitled "Moderate Sandinists: Daniel Ortega Has Rebelled Against the Sandinist Assembly." This article states that a moderate group called Sandinists for a National Project on 27 September distributed a document criticizing the government's fiscal policy and blaming technocrats for provoking the transportation strike.

It adds that this document also "implicitly censures Daniel Ortega because it criticizes the violent methods used by a sector of Sandinism during the strike and also criticizes party leaders who incited violence."

The document, the article adds, "accuses Ortega of disobeying the mandate of the Sandinist Assembly, the party's top organ, that vigorously condemned the use of violence as a tool to struggle at a 21 August meeting."

The second article, which is authored by Roger Suarez and entitled "The Internal Crisis of the FSLN," Sandinist National Liberation Front, appears on pages 1 and 12 and is 600-words long. It claims that differences within the FSLN worsened over the weekend because of the appearance of the aforementioned document. The article adds that FSLN members who are loyal to Ortega "maneuvered over the weekend to suspend a Sandinist Assembly meeting during which recent political actions by party Secretary General Daniel Ortega would have surely been criticized."

This article quotes Jose Leon Talavera, former Sandinist deputy foreign minister, as saying that Sandinism had never before faced such deep contradictions and incoherencies. It adds that Talavera thinks that Sandinism failed to handle the strike problem in accordance with the mandates of the Sandinist Assembly.

The article also quotes Commander Leticia Herrera's statements appearing in the BARRICADA newspaper. It states that Herrera said the FSLN has failed to define a coherent position in the past three years to guide the party's rank and file. She says there is a leadership problem in the middle and top of the FSLN.

It also quotes Sandinist leader Ariel Bucardo as saying that "it is not necessary to call an extraordinary congress to discuss Daniel Ortega's leadership" because he believes the people are not the problem, but the methods and policies. The article also quotes Sandinist leader Damaso Vargas, a union leader, as saying that the FSLN is not responsible for the anarchy that reigns in the country.

This article also claims that in view of a flurry of criticism of Daniel Ortega appearing in media linked to the FSLN, on 26 September "Ortega maneuvered to get a group of Assembly members in Managua to criticize the editorial policy of several media."

The third article authored by Ariel Montoya entitled "Sandinists Criticize Daniel Ortega" appears on page 2 and is 400-words long. It states that Sandinists of various persuasions have criticized FSLN leader Daniel Ortega for inciting violence and for calling President Violeta Chamorro a criminal.

This article states that the newspaper consulted Francisco de Asis Fernandez, leader of the Sandinist center, who said that Ortega "does not reflect the feelings of all Sandinists." He is quoted as saying that "the position of the FSLN leader is not in keeping with the decision of the Sandinist Assembly of rejecting all forms of violence as a method to solve the serious crisis facing the country."

The article adds that he, however, does agree with Ortega in that the cabinet members who are responsible for economic policy should resign.

Northern Front Issues Communique, Warns of Army Operation

PA0210161093 Managua Radio Corporacion in Spanish 2200 GMT 1 Oct 93

[Communique No. 11 issued by the General Staff of the 3-80 Northern Front on 30 September; place not given—read by announcer]

[Text] Communique No. 11

The 3-80 Northern Front is warning the Nicaraguan people and the world about state terrorism and about an imminent civil war of great proportion being waged by the Sandinist National Liberation Front [FSLN] to obstruct the few opportunities of building Nicaraguan democracy. These things are being carried out by the 2d Military Intelligence Directorate of the Sandinist People's Army [EPS] in coordination with the Information Directorate for Defense.

An instability plot drafted by the FSLN will be implemented starting on 1 October with the military operation Roundup 93, which will be followed by escalated strikes and stoppages in public service areas, as well as by terrorist actions against the civilian democratic opposition.

Mrs. Violeta and Tono Lacayo have served as accomplices in the obstruction of democracy by allocating high budgets for the military caste and by supporting the FSLN military and political takeover of the National Assembly. They have protected FSLN death squad criminals by way of the Amnesty Law, and they have suspended the rights and guarantees of the Nicaraguan people in areas of conflict.

With or without international financial aid, the Nicaraguan people will continue to go hungry and will continue to lack public utility services, especially health and education services. Democracy collapsed before it was born when power was usurped by the cogovernment in exchange for a regime of terror and anarchy in the hands of the tyrant Humberto Ortega.

On behalf of the men and women who anonymously gave their lives for freedom and democracy in Nicaragua, the 3-80 Northern Front reaffirms it will not lay down its weapons until it has overthrown the military tyranny of the Ortega brothers and those who have undermined the people's desires as expressed in the 1990 elections.

We condemn the sinister Roundup 93 operation, which is scheduled to begin on 1 October with the participation of more than 3,000 EPS soldiers from Nueva Segovia, Esteli, Jinotega, Matagalpa, Boaco, and Chontales Departments. These forces also have been arming and supplying the irregular forces of the EPS, the so-called recompas, who will be used as spearheads in the operation in an effort to wear down the struggle of the Nicaraguan people and endanger the stability of the Central American region.

With the suspension of the rights and guarantees following the state of emergency declared by the cogovernment in most of these towns in the northern and central regions of the country, the civic opposition is seriously threatened by state terrorism by way of this military operation. Human rights are also being endangered.

The 3-80 Northern Front is asking all social, political, and economic sectors who love peace and democracy to fight together with the blessing of God and the Holy Virgin Mary to pull Nicaragua from social and political chaos and to rescue the nation from the hunger and economic backwardness imposed by the FSLN.

We call on the soldiers of tyranny to desert from their military ranks. Justice is starting to be meted out to the criminals of the Nicaraguan people and to the small group of Center Bloc deputies.

Now or Never!

[Signed] Commander Charrito, chief of the General Staff of the 3-80 Northern Front

Commander Northiel [Wilfredo Chavarria], chief of 3-80 Northern Front troops

Commander Aguila

Commander 22-22

Commander David

[Issued] General Staff of the 3-80 Northern Front, 30 September 1993

Godoy Offers Solutions, Alternatives for Country's Problems

PA0310180193

[Editorial Report] Managua Telenica Canal 8 Television in Spanish at 0130 GMT on 27 September broadcasts a 74-minute interview with Nicaraguan Vice President Virgilio Godoy by station director Carlos Briceno during the "Because Nicaragua Matters" program.

Godoy says that because Nicaragua has been unable to resolve its own problems, creditor organizations and governments have had to apply pressure to collect from the country. "An adequate solution must be found, but obviously the political decision must be made in Nicaragua." He lists several alternatives, such as holding a plebiscite, a referendum, a Constituent Assembly, holding general elections before the regularly scheduled time, amending the Constitution, or reaching a national agreement. He goes on to say that the current situation leads to "three alternatives, all of which are nefarious and unattractive: chaos, civil war, or a military dictatorship with a civilian front."

Briceno says there have been a number of occasions in Latin America where dissatisfied people have gone into the streets to demand solutions to their problems. Godoy replies that demonstrations have been held since early in the year but were suspended in view of the talks that began in May. "UNO recently went back to its emergency plan, which involves a general mobilization with increased pressure leading to civil disobedience, such as ceasing to pay taxes," work stoppages, and so forth.

Further in the interview, Godoy is asked if Daniel Ortega at some point discussed the possibility of asking President Chamorro to step down and allow Godoy to become president. Godoy replies that "it is necessary to change either the policy or the government" and that Ortega is willing to abide by the Constitution. The vice president says he is interested in seeing this civilian administration complete its term and hand the government over to another freely elected, civilian administration. Chamorro cannot be asked to step down. "If a coup is staged against this president, it will be even easier with the next one. It is much better to follow the established order," he says.

Godoy adds that if he were to become president, he would first "replace all bureaucratic personnel at the top, with few exceptions." Next, some urgent changes must be made to the economic policy so reform costs are not transferred to the lower levels of society. He says his third act would be to find a good comptroller general to permanently supervise the use of public funds.

Finally, asked what suggestions he has for President Chamorro, he says she should "redesign the economic policy, replace the ministers, closely monitor state property, and work more earnestly for the country's recovery."

FSLN Appoints Commission for Dialogue With UNO

PA0310211693 Managua BARRICADA in Spanish 2 Oct 93 pp 1, 12

[Article by Roberto Larios]

[Text] The Sandinist National Liberation Front (FSLN) called yesterday for a special Sandinist Assembly to be held on 10 October to discuss and approve—among other points—the party's official proposal on the constitutional reforms.

The FSLN appointed yesterday the commission that will represent it during the 4 October meeting to be held with the National Opposition Union's (UNO) Political Council. Daniel Ortega, Bayardo Arce, and Sergio Ramirez make up the commission. A FSLN party source disclosed to BARRICADA that the commission will present to the UNO an initial proposal of possible constitutional reforms and a legislative package that includes a "final solution" to the property problem.

When this edition went to press the UNO Political Council members continued in the second and extended "retreat," being held since yesterday at the famous Casona de la Bolonia [not further identified] where the 4 October meeting will be held at 1700. Coalition [UNO] sources reported that despite efforts by a large number of its members, the UNO remains divided between those who advocate a Constituent Assembly and those who accept discussing the reforms proposed by the FSLN.

Zacarias Hernandez, Social Democratic deputy, told BARRICADA: "The most practical, truly the most feasible thing is to discuss the constitutional reforms because to have a Constituent Assembly one must count on the FSLN votes. The Sandinists have already stated very clearly they will not support this initiative."

When questioned on this matter, Jorge Samper, Sandinist wing legal adviser, explained that in the FSLN's opinion the Constituent Assembly would make matters worse instead of solving them. Samper said: "A constituent assembly means a large disbursement of funds that the economy is not in a position to finance. The issuing of identification cards is barely starting and to call for elections in this climate of extreme political polarization entails very dangerous risks." In turn, the constitutional reforms would contribute to stabilizing the nation because these would foster the strengthening of the nation's democratic institutions.

In the reform package proposed by the FSLN are included debates on the following issues: the reduction of the Executive Branch's current excessive discretionary power; the transfer of powers to the Legislative Assembly; and the strengthening of the Judicial and Electoral [as published] Branches. The FSLN will also propose: the reform to the Law on the Budget; the approval of the Military Basic Law; fixing the term of the

Army's chief mandate; and assigning Vice President Virgilio Godoy specific duties to grant him "the position he deserves."

Inside the UNO, the Christian Democratic Union; the Conservative People's Alliance, led by Miriam Arguello; and the social democratic sector led by Roberto Urroz, are in favor of the constitutional reforms. Meanwhile, the radical sector that demands a constituent assembly is made up of the National Conservative Party, the social democratic sector led by Alfredo Cesar, and the liberals loyal to Arnoldo Aleman. Ironically, according to an UNO source, Virgilio Godoy is holding a "center" position in this conflict.

The rapprochement between the UNO and the FSLN has continued during the past hours. It is even said that U.S. Ambassador John Maisto reportedly is sponsoring the holding of a dialogue through contacts with the two political sides. The moderate UNO sectors as well as the Sandinist leadership agree that regardless of the 4 October meeting "the situation is favorable for the dialogue to be officially held at the Legislative Assembly." The Legislative Assembly's role was strengthened after its participation in the solution of the transportation strike.

Zacarias Hernandez said: "The dialogue between the leaderships will favor an understanding at the Legislative Assembly."

In this give and take, the situation only appears difficult for President Chamorro's Government. The UNO Political Council considers the letter sent this week by Antonio Lacayo to the coalition as "insolent." In this letter Lacayo urges the coalition to "clearly express" its position with regard to the bilateral encounters.

Now the government finds itself isolated and what was previously considered should be a Tripartite Dialogue is now conceived as "bipartisan" between the UNO and the FSLN. "The government's informality is what makes it appear rudderless," Zacarias Hernandez said.

Correction to UNO Council Invites FSLN to Meeting on 4 Oct

PA0110142793

The following correction pertains to the item headlined: "UNO Political Council Invites FSLN to Meeting," published in the 1 October Latin America DAILY REPORT, page 15:

Column two, third paragraph, second sentence reads: ...Political Council. The Council had been unable to respond earlier because its members were being held hostage by a Sandinist... (rewording text)

Panama

Lawmakers To Ask U.S. To Ratify Legal Assistance Treaty

PA0210164093 Panama City EL PANAMA AMERICA in Spanish 2 Oct 93 p 2A

[Report by Carlos Vargas]

[Text] During the Legislative Assembly Drug Commission's first debate on the Vienna Agreement, legislators concluded that the U.S. Congress must be asked to ratify the Mutual Legal Assistance Treaty (TALM) before Panama signs the 1988 Vienna International Agreement on drug trafficking.

Yesterday, the Legislative Assembly Drug Commission started to discuss the 1988 Vienna Agreement, a UN treaty designed to repress drug trafficking. The agreement, which has already been signed by several countries, makes money laundering a crime. Panama, as well as two other Latin American countries, is one of the few nations that still has not signed the international agreement on drug trafficking.

Christian Democratic Party Legislator Camilo Brenes proposed that the Panamanian Legislative Assembly respectfully ask the U.S. Congress to ratify the TALM, which would enable Panama to consider its subsequent incorporation into the Vienna Agreement. Brenes believes it is important for the United States to ratify the TALM because Panama is not receiving information from U.S. authorities needed to sentence many drug traffickers who are being held in our prisons.

Brenes said the TALM is a two-way treaty and not a unilateral one. He recalled that the Legislative Assembly approved the TALM on July 1991, adding that the United States, which still is not showing any sign of ratifying it, is, nevertheless, demanding that Panama join the Vienna Agreement.

The Christian Democrat warned that Panamanian authorities should be extremely cautious about joining the Vienna Agreement because it could represent the dismantling of the international banking center that operates in Panama. Switzerland, where another international banking system operates, has not signed the Vienna Agreement either, but they [not further identified] almost want to force Panama to sign this agreement, the legislator stated.

The Drug Commission called Foreign Minister Julio Linares, Attorney General Jorge Valdes, the National Banking Commission director [Edgardo Lasso Valdes], and the Panama Banking Association president [Olegario Barrelier] to its next meeting to explain the advantages and disadvantages of Panama's signing the controversial agreement.

Argentina

Menem, Peronist Leaders Comment on 3 Oct Elections

PY0210124793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1853 GMT 30 Sep 93

[Text] Buenos Aires, 30 Sep (NA)—President Carlos Menem today noted that Argentines will go to the polls on 3 October "to vote on two alternatives," specifically "between the Argentina of 1993 and the Argentina of 1989" when Raul Alfonsin left the government five months before completing his term.

Menem categorically stated that during Sunday's election "we either vote for the Argentina of 1989 which was affected by hyperinflation, or for this Argentina of 1993 which enjoys stability, development, and growth."

The chief of state voiced his belief that the Justicialist Party will win the elections because "the people will vote the model and in addition to the model the candidates that support it," thus referring to those who represent the governing party.

Continuing to mention the differences that exist in the country now compared to four years ago, Menem took advantage of the occasion to mention the fact that "in 1989 the inflation rate amounted to 5,000 percent per year and now it is zero percent per month."

Moreover, he stated that if the Radical Party manages to win the elections, its leaders "will try to return to the past, as in 1963" when Arturo Illia's government annulled the oil contracts signed during Arturo Frondizi's administration.

Alberto Pierri, first candidate for national deputy from the Frejufe [Federal Justicialist Front], echoing President Menem said that the Sunday election "will be crucial because it will confront two completely different programs."

Pierri said: "There are two programs that are like night and day because, on one hand, is the program of change started in 1989 that looks into the future and, on the other hand, are the parties that are against the country's true development and go against history."

Moreover, the Secretary General of the Presidency Eduardo Bauza reiterated his belief that the Justicialist Party will be the clear winner of the elections at the national level.

Bauza predicted that the governing party will win in several of the most complicated districts, such as the Federal Capital, Cordoba, Corrientes, Chaco, and Salta and noted that in those places "until recently one could not dream about a victory as is reflected in the polls now."

In a brief analysis of the electoral map, Bauza voiced his confidence that the Justicialist Party in Cordoba will win because Governor Eduardo Angeloz' image "has deteriorated while the Justicialist Party has gained strength."

As for the Federal Capital, Bauza said that the governing party has a two-point advantage over the Radical Party that is supported by Senator Fernando de la Rua, who historically enjoys the majority's support in this district.

In referring to Santa Fe, Bauza predicted that radical Horacio Usandizaga "will experience the same thing he did in 1991, when he appeared as the virtual winner six months before the election but when the votes were counted he lost" the race for provincial governor to contender Carlos Reutermann.

Moreover, the secretary of the presidency predicted that the Justicialist Party in Buenos Aires "will obtain a comfortable advantage" and, therefore, will "obtain between 19 and 20 deputies, thus surpassing 40 percent of the votes."

Media Secretary Raul Burzaco stated that "if people have good memories, the Menem model will win" the elections, although he admitted that the "dirty campaign launched by some sectors of the opposition has a negative impact on the electors."

Burzaco agreed with several government officials in estimating that the percentage the Peronists will obtain throughout the country "will easily surpass 40 percent of the votes" while in Buenos Aires district it will obtain "a difference of more than 12 points."

21 Million To Vote

PY0210161093 Madrid EFE in Spanish 0745 GMT 2 Oct 93

[Text] Buenos Aires, 2 Oct (EFE)—Nearly 65,000 Armed Forces and security agents will guard the more than 80,000 ballot boxes that will hold the votes of 21,394,818 citizens who will participate on 3 October in the sixth election since the restoration of democracy in Argentina in 1983.

The people will elect 127 national deputies (half of the total) and some 3,700 officials to other provincial and municipal positions.

Some 20,000 ground troops commanded by General Mario Remetin will participate in security operations.

Another 26,520 police officers from the 24 provinces will cooperate in guarding and moving ballot boxes to and from the districts' electoral offices [colegios electorales].

The Interior Ministry reported that the remaining 18,000 men will be provided by the Navy, the Air Force, the Federal Police, the National Border Police, and the Coast Guard.

In order to fulfill their constitutional responsibility the military and police personnel will use 7,486 vehicles, eight planes, 16 helicopters, and 18 ships to reach the farthest corners of the country.

"In Chaco Province, the PJ obtained 37.4 percent of the vote, the UCR 28.4 percent, and Chaco Action 28.3 percent.

"In Chubut Province, the PJ received 42.2 percent, the UCR 47.3 percent, and Chubut Action 7.4 percent.

"In Entre Rios, the PJ obtained 45.3 percent of the vote, followed by the UCR with 42.8 percent.

"In Formosa Province, the PJ obtained 67.6 percent of the vote followed by the UCR, which obtained 32.3 percent.

"In Jujuy, the PJ got 43.6 percent of the vote, the UCR 2.5 percent [as heard], and the Jujuy Popular Movement 23.3 percent.

"In La Pampa Province, the PJ obtained 43.2 percent of the vote, while the UCR received 29.6 percent."

The announcer continues: "La Rioja: PJ 68.8 percent, UCR 28.9 percent; Mendoza: PJ 47.2 percent, UCR 32.3 percent."

Going on, the announcer begins to list: "Misiones: "PJ 54.9 percent, UCR 40.4 percent; Neuquen: Neuquen Popular Movement 30.9 percent, UCR 30.8 percent, PJ 26.6 percent; Rio Negro: PJ 42.3 percent, UCR 31.7 percent, Patagonia Movement 15.1 percent; Salta: PJ 23.8 percent, UCR 22.4 percent, Renewal Party 45.5 percent [as heard]; San Juan: PJ 23.3 percent, UCR 12.6 percent, Front for Hope 43.2 percent [as heard], Bloquista Party 13.7 percent; San Luis: PJ 59.3 percent, UCR 31.1 percent; Santa Cruz: PJ 52.8 percent, UCR 33.8 percent; Santa Fe: PJ 44.1 percent, UCR 38 percent; Santiago del Estero: UCR 49.5 percent, Popular Union Front 25.8 percent; Tucuman: Front for Hope 43 percent, Republican Force 34.4 percent, UCR 21.8 percent; Tierra del Fuego: PJ 41 percent, UCR 23.2 percent, Tierra del Fuego Popular Movement 26.8 percent."

The report continues: "Total national results: PJ 38 percent; Modin 4 percent; UCR 34 percent," and concludes: "Greater Buenos Aires: PJ 50 percent; Great Front 5 percent; Modin 13 percent," and "UCR 21 percent."

Feris Wins; Second Round Needed

PY0410033693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0026 GMT 4 Oct 93

[Excerpt] Corrientes, 3 Oct (NA)—Raul "Tato" Romero Feris, candidate for the Corrientes Autonomist and Liberal Pact (PAL), managed to prevail in the elections for governor and deputies in this province, although he did not obtain the percentage needed to become governor. The Corrientes voters must therefore vote in a second round on 24 October.

Romero Feris obtained nearly 47 percent of the total votes, winning over his rival from the Victory Front, Justicialist Alberto Di Filippo, who obtained nearly 38 percent of the votes.

The "second round" or "ballotage" system established by the new constitution of Corrientes Province will force the citizens to vote in a second round of elections, the fourth in hardly two years, without ever having defined in these past years who the governer was. [passage omitted]

'Scandal' in 'Disappearance' of Supreme Court Bank Ruling

PY0210003093 Buenos Aires BUENOS AIRES HERALD in English 1 Oct 93 pp 1, 11

[Text] (DYN-NA)—While accusations continued to fly yesterday over the disappearance of a Supreme Court ruling involving the Central Bank, Supreme Court President Antonio Boggiano dismissed rumours that he would resign because of the scandal and refused to answer questions from the press.

It has been suggested that Boggiano might have been responsible for the orders to remove the original text, and his only comments yesterday were to the effect that "it would be imprudent to make a statement right now."

President Carlos Menem meanwhile attempted to play down the political uproar that has erupted over the incident, claiming that accusations concerning the role of his government in the affair were being made by the opposition solely with Sunday's elections in mind.

The court ruling, issued last June, stated that the Central Bank was liable for the payment of a sum of approximately two billion dollars to the liquidators of the Banco Patagonico. It has been alleged that the ruling was not only stolen but also that there were attempts by a judge to replace it with one more favourable to the Central Bank.

However, in response to further criticism from the Radical Party on Tuesday Menem suggested that "the fact that this question has arisen three days before the elections proves that it is an electoral manoeuvre on the part of the opposition."

Menem did not go as far as linking the two Supreme Court justices who announced the misappropriation of the text—Enrique Petracchi and Augusto Belluscio—to the Radical Party but hinted at such thoughts recalling that Justice Belluscio "was appointed during the era of (former Radical president Raul) Alfonsin."

However, Justice Minster Jorge Maiorano, acting on orders from Menem to clarify the situation, questioned the motives surrounding the timing of the announcement saying that Belluscio and Petracchi had known about the dissapearance since last June and had intentionally waited until a politically sensitive moment to break the news.

Maiorano moved to distance the government from accusations of collusion with the judicial system announcing that "if there have been irregularities in the Supreme Court we shall act immediately to bring a lawsuit against the justice involved."

Yet comments also made yesterday by Economy Minister Domingo Cavallo brought a further wave of criticism from the opposition after he dismissed the importance of the lost ruling and instead chose to question the sense behind the court's original decision to make the Central Bank pay such substantial costs.

Cavallo said that the ruling "would rob the state reserves of millions of dollars, which would in turn jeopardize the Convertibility Plan." He claimed that an unidentified member of the court had "fought tooth and nail to pass a ruling that would harm the Central Bank and inevitably become a scandal."

Radical leader Raul Alfonsin, who on Tuesday claimed that the case constituted the worst judicial scandal in the country's history, yesterday called it an "act of state terrorism." He referred to Cavallo's comments by criticizing "those who attempt to violate the republic by advocating that the ends justify the means."

In similar fashion, the head of the Radical National Convention, Osvaldo National Convention, Osvaldo Alvarez Guerrero, accused Cavallo of "astonishing irresponsibility" for his comments "that claimed that the Radicals were more concerned with the loss of the ruling than the fact that the state would be irreparably damaged by the proposed costs."

Radical Senator Fernando de la Rua considered the scandal to be a natural consequence of the recent rise in the number of judges appointed by this government, which had resulted in a "more favourable (Supreme Court) disposition towards the ruling (Justicialist) party."

In further reaction to the crisis the head of the Buenos Aires Lawyer's Association, Arturo Ravina, issued a statement yesterday to distance his organization from the actions of members of the Supreme Court, saying "this state of suspicion implies the complete failure of our radical system."

Bolivia

Ruling Party Forms Alliance for Municipal Elections

PY0210211693 La Paz PRESENCIA in Spanish 25 Sep 93 p 5

[Excerpt] The Nationalist Revolutionary Movement (MNR) and the Tupac Katari Revolutionary Movement of Liberation (MRTKL) have ratified their decision to form an alliance for the municipal elections of 5 December.

In a letter addressed to the National Electoral Court, the parties led by President Gonzalo Sanchez de Lozada and

Vice President Victor Hugo Cardenas announced that they will use a single ballot envelope slip. This ratifies their decision to form an alliance for the elections.

The slip is pink, with the MNR abbreviation in black and the MRTKL abbreviation in purple. In its upper part, the slip has the symbol of a white hand making the traditional "V" sign of victory.

The National Electoral Court has not officially recognized the MRTKL-MNR alliance because the parties have not complied with the terms of Article 115 of the Electoral Law. [passage omitted]

Minister Regrets Court 'Leniency' With Drug Traffickers

PY0210234593 La Paz PRESENCIA in Spanish 25 Sep 93 p 7

[Text] Interior Minister German Quiroga said yesterday that some antinarcotics court judges are not helping to repress drug trafficking. The minister regretted that some of these judges show too much leniency with well-known drug traffickers.

"We would like to do something to change this situation, but regrettably, the Judicial Branch is a separate power. This is one of the reasons why President Gonzalo Sanchez de Lozada has institutionalized the operation of the Justice Ministry," Quiroga said.

The minister added that the work of the Justice Ministry will be coordinated with the Supreme Court, whose magistrates have repeatedly said that laws will be enforced if antinarcotic court judges violate them.

Around the middle of last week the Santa Cruz Second Antinarcotics Court acquitted drug trafficker Eduardo Aguilera Echazu, who is charged with being the leader of a gang dismantled on 13 August.

A few days before, another court decision ordered the release of the assets of Jorge Roca Suarez, alias "Thatched Roof," to his relatives. Roca Suarez is serving a sentence in the United States, and the measure was denounced as another case involving a judge who violates the law.

Three controlled substances judges from the La Paz judicial district are being tried at the request of the Supreme Court due to their allegedly illegal decision to release Carmelo "Meco" Dominguez, who is currently at large.

According to the interior minister, the situation must be corrected immediately within the framework of the overall fight against this illegal trade.

PRC Membership in Tin-Producing Association Supported

PY0210020693 La Paz PRESENCIA in Spanish 21 Sep 93 p 5

[Excerpt] Mining Secretary General Jaime Villalobos has announced that Bolivia has decided to support China's entry into the Association of Tin-Producing Countries (APPE), in an attempt to control the drastic drop of tin prices on the international minerals market.

China is considered responsible for provoking a dramatic crisis in the international market in the past few months, which together with the aggressive protectionist policies imposed by the U.S. Government is forcing hundreds of mines in APPE member countries to close down.

The association will meet next October to evaluate the status of the mineral and the consequences provoked by the collapse of prices on the international market. Tin prices currently stand below $2 [unit of volume not specified].

World tin producers consider that China's entry into APPE, after participating for years as an observer, is a must. "This country has provoked terrible market problems with the sale of very significant volumes of tin," Villalobos said.

"No mine can survive those prices," Finance Minister Fernando Illanes told reporters at the end of the week, in making a general evaluation of the mining industry in Bolivia.

Illanes believes the situation is very difficult, but at the same time the country is far from being able to control prices on the international minerals market. [passage omitted]

Brazil

Franco Sends Letter on GATT Talks to World Leaders

PY0210215993 Madrid EFE in Spanish 0704 GMT 30 Sep 93

[Text] Brasilia, 30 Sep (EFE)—Brazilian President Itamar Franco has called for a world effort to develop an international agricultural trade without obstacles, by completing the Uruguay round of talks within the General Agreement on Trade and Tariffs (GATT).

Brazilian Foreign Ministry sources have reported that on behalf of Latin American international trade interests, Franco sent letters to U.S. President Bill Clinton, French President Francois Mitterrand, British Prime Minister John Major, and other leaders of industrialized nations.

Franco said in his letter that it is important for the Uruguay round of talks to reach a satisfactory conclusion, with results that take into account access to markets and agricultural trade in line with the demands posed by Latin American countries.

Franco said that a broader international trade system, based on equitable and stable rules, will be positive in the development of the area, and will generate more jobs and better living conditions for the population.

He added that democratic institutions would be strengthened and governments able to consolidate their economic reform and liberalization programs with the resolutions adopted at the Uruguay round of talks.

Franco noted that over the past six years Brazil has unilaterally contributed to the liberalization of the economy by reducing import tariffs from 51 to 14 percent.

Finance Minister Cardoso Returns From United States

PY0210220293 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 2 Oct 93

[Text] Upon returning from the United States, Finance Minister Fernando Henrique Cardoso said Brazil has to reduce public spending.

[Begin Cardoso recording] There is strong interest in Brazil, in making investments here. Everyone hopes we will have the courage to do those things that are obvious, things that all other countries have already done, that is, to control public spending, to fight tax evasion, and if possible to reduce taxes, which are too high in some sectors, right? Employment is what we have to give people. Brazil's great problem is not of an economic but of a social nature.

Economic packages, which catch people off guard, belong to the past. There will be no packages. [end recording]

Strategic Affairs Minister Views Constitutional Reform

PY0210232593 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Oct 93 p A6

[Article by Lucia Helena Gazzola]

[Text] Admiral Mario Cesar Flores, head of the Strategic Affairs Secretariat, said yesterday during a debate at the Alvares Penteado Foundation in Sao Paulo that he fears institutional disturbances if the constitutional reform does not solve the problems of the country. He said: "There is no atmosphere favoring a classic coup, with a strong military presence. But if the distortions in the Constitution are not corrected and the crisis is not resolved, in six to 12 months society may demand solutions that are not entirely orthodox." He made these comments in reply to questions about the possibility of a coup or of fujimorization—referring to Peruvian President Alberto Fujimori, who closed down his country's Congress—in Brazil.

Flores, who delivered a speech before beginning the debate, said that he "still" does not see this danger clearly outlined, and added that he "strongly hopes" the reform will help in finding a "constitutional and normal" solution to the crisis. He added: "If this crisis is not resolved, the future will be one of worrisome uncertainty." He confessed, however, to not being optimistic about the reform: "In the period before the elections it will be difficult for congressmen to contradict their bases of support, and important governors and mayors will oppose compromising their state and city governments." He concluded: "It is indispensable, however, that at least a few points are reviewed, otherwise there will be a national collapse and the Union will disappear."

Among the priorities he mentioned tax and social security reform, the redistribution of functions and funds between the Union and state and municipal governments, and the liberalization of the economy. Flores believes it is necessary to correct the imbalance in the representation of states in the Chamber of Deputies, revising—among other topics—job stability and union freedom, which in his opinion have converted "public assets into assets owned by state employees."

Flores, who made it clear he was voicing his own personal opinions, said that the 1988 Constitution has rapidly become old, and has created "sound rights that are, however, unfeasible because they have no proper financial backing." In addition, he said, the Constitution has not defined a national plan. "The text has the same weakness of previous texts, which is that it reacts to what came before," he added. "In the constitutional revision we should not make the same mistake of punishing the past. We should make corrections for the future," he noted.

Economic Team To Push for Constitutional Reform Measures

PY0210230193 Rio de Janeiro O GLOBO in Portuguese 1 Oct 93 p 3

[Text] Brasilia—The finance minister believes that the constitutional revision process should create conditions for the government to be able to balance public accounts, and that only Congress can choose the methods for achieving that objective. According to an adviser to Minister Fernando Henrique Cardoso, the economic team will attempt to take advantage of the fact that the study of the 1994 budget and the constitutional revision are taking place at the same time to push for a broad fiscal adjustment.

The budget proposal that the government sent to Congress includes a deficit of around 7 percent of the GDP, amounting to nearly $28 billion. Congressmen will have to decide how to make those adjustments—either by increasing taxes, which currently amount to 18 percent

of GDP; by cutting expected expenditures, 25 percent of GDP; or by combining both solutions.

Finance Ministry officials, meanwhile, cannot agree on the best way to achieve fiscal balance. Federal Revenue Service Secretary Osiris Lopes Filho prefers not to introduce deep reforms in the chapter on taxes. Studies produced by the Revenue Service indicate that the taxing system can be left unchanged if we modify the distribution of resources between the federal government, states, and municipalities.

"It is necessary to reduce the financial movement between these three power centers. The Federal Government today receives a minor cut of the income tax and the IPI [Tax on Manufactured Products]," a Revenue Service official says. Minister Cardoso's advisers said that the problem does not lie in the chapter on social rights established by the Constitution, but in the regulation established by Congress and the interpretation made by the courts.

The finance minister's assistants want changes in the chapters on public administration, organization of powers, social security, and economic order in order for the Constitution to stop being a permanent source of fiscal deficits. In the chapter on economic order, Finance Ministry officials want to revise the limits of state intervention in economic activities, a reduction in state monopolies, and restrictions on foreign capital.

Article Advocates Withdrawal From Coffee Organization

PY0110201193 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Sep 93 p B2

[Text] The U.S. decision to abandon the International Coffee Organization [OIC], which was announced in London, was a sensible decision. After the Association of Coffee Producing Countries (APPC) was created, there was no reason for the largest importing market to maintain its links with an institution that has no functions to perform. The withdrawal of the United States, OIC's main financial source, will provoke a serious reduction in the organization's budget.

Also, there seems to be no reason for Brazil, the largest coffee producer, to remain linked with an association that is almost a ghost.

The OIC had two main functions: To operate as a forum for understanding between exporters and importers, and to maintain daily control on the market, supervising compliance with the conditions established by each agreement. In addition, the organization performed, and continues to perform, technical tasks. The main technical task is to supervise the market, registering production figures, prices, and transactions.

The organization's political role could have been reactivated, but none of the attempts to resuscitate the economic clauses of the accord succeeded. Despite the fact that some Brazilian producers want it, the return of the quota system would probably not be good for Brazil. The price drop that began in July 1989 has caused enormous economic difficulties to most coffee producers. Many Brazilian producers were indebted, and the crisis only aggravated a situation that was already difficult.

Obviously, the solution is not to resuscitate the agreement in unfavorable conditions but, instead, to attempt to survive and compete in the market under conditions of broader world competition.

The APPC is not an ideal solution either. Exporters may have similar objectives in their speeches and complaints about low prices. Practice, however, has proven that their objectives are not the same. Even when the International Coffee Agreement (AIC) operated without too many problems, cooperation among producing countries was precarious.

The coffee retention policy, an accord that was signed by delegates of 28 producing countries, should be implemented as of 1 October, but there have been comments about the risk of contraband through nonsignatory countries like Paraguay, Mexico, and Bolivia.

Furthermore, there is no reason to expect importers—beginning with the United States—to care for compliance with the terms of the agreement by APPC members. On the contrary, the U.S. policy is officially against such supply control attempts, despite the fact that—whenever it wanted—the United States itself distorted the market. Exporters will have to manage by themselves.

The agreement, however, was formalized, and nothing would now be as dangerous as a show of unfitness. This is what the Brazilian authorities should now be concerned about, instead of the OIC.

Poll Shows Lula, Maluf Leading Presidential Race

PY0110191493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 30 Sep 93 p A9

[Text] Rio de Janeiro—The IBOPE [Brazilian Public Opinion and Statistics Institute] poll that was released yesterday shows that Workers Party President Luiz Inacio Lula da Silva and Sao Paulo Mayor Paulo Maluf (PPR) [Progressive Renewal Party] have gained ground in the presidential race. Support for Lula, who has led all surveys conducted so far this year, grew from 25 to 27 percent between August and September. Support for Maluf grew from 11 percent to 14 percent during the same period. Maluf is now running head-to-head with former President Jose Sarney (a senator for the PMDB-AP) [Brazilian Democratic Movement Party-Amapa State].

Between 22 and 26 September the IBOPE showed 2,000 potential electors throughout the country four different lists of candidates. Depending on his opponents in a given scenario, support for Lula varies between 27 and

30 percent. Maluf and Sarney are running head-to-head, each with 14 percent of the votes whenever they appear on the same list.

Social Security Minister Antonio Britto for whom 8 percent of those surveyed would vote, is ahead of Finance Minister Fernando Henrique Cardoso who would get only 6 percent of the votes.

Lula, Maluf and Rio de Janeiro Governor Leonel Brizola appear in all four scenarios. In three of the four scenarios Maluf would obtain 15 percent of the votes and would defeat Brizola for whom only 10 percent would vote. The only scenario that included Bahia Governor Antonio Carlos Magalhaes PFL [Liberal Front Party] showed that he would come in sixth with 5 percent of the votes.

IBOPE's poll also shows that Minister Antonio Britto's candidacy is gaining support among voters over 40. Britto obtained 12 percent of the votes and came in third after Lula (20 percent) and Maluf (15 percent). The breakdown by regions shows that Britto is supported by 13 percent of the voters in Southern Brazil.

The IBOPE poll shows that there is a great number of undecided people and people who would vote blank if elections were held right now. In all scenarios, between 26 and 28 percent of those surveyed said that if those were the only candidates they would either not vote or vote blank. The only scenario that included Lieutenant Brigadier Ivan Frota [Air Force Commander in Chief] showed that he would get only 1 percent of the votes.

Electric Company To Purchase Venezuelan Electricity

PY0210161393 Madrid EFE in Spanish 1914 GMT 28 Sep 93

[Text] Brasilia, 28 Sep (EFE)—Official sources said today that the Brazilian state electricity company Electrobras [Brazilian Electric Power Company, Inc] is negotiating the purchase of Venezuelan electric energy for use in the Amazon state of Roraima.

Roraima State borders Venezuela and has electricity supply difficulties. The project to build a hydroelectric power plant on the Cotingo River is behind schedule. The river goes through the lands of the Macuxis, Uapixanas, and Caraces Indians.

Electrobras has conveyed to the Venezuelan enterprise Edelca [Caroni River Electrification Project] its interest in purchasing electricity, although the amount and prices have not been discussed yet, Brazilian company sources said.

A report issued by Sao Paulo University says that the construction of a new transmission line between the Guri Company in Venezuela and the Brazilian city of Boa Vista will cost $100 million.

The price of a new hydroelectric plant on the Cotingo River should be $50- million higher than the cost to install the transmission line, according to the university study.

Chile

President Aylwin Leaves for New Zealand, Australia

PY0110193793 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1800 GMT 1 Oct 93

[Text] President Patricio Aylwin today started a seven-day tour of New Zealand and Australia. At the Arturo Merino Benitez international airport, he handed over power to Interior Minister Enrique Krauss, who assumed as vice president of the Republic.

Aylwin is the first Chilean president ever to visit New Zealand and Australia. Accompanied by a retinue that includes businessmen, Aylwin left Chile armed with a very busy working agenda, the most salient items of which are Chile's joining the forum of Pacific Rim countries and a meeting with the group of commodity exporting countries.

Japan Establishes Joint Pacific Basin Committee

PY0110232893 Santiago EL MERCURIO in Spanish 15 Sep 93 p C5

[Names as published]

[Excerpt] The meeting to constitute the Chile-Japan Chapter of the 21st Century Committee of the Pacific Basin ended yesterday with a panel meeting at the Chilean Diplomatic Academy. In the meeting, the members of this new committee analyzed the future of the relations between the two countries in face of the upcoming century, and their perspectives regarding bilateral relations. Within this context, the participants concluded that Japan may become an important gateway for Chile into the Asian-Pacific market, while Chile could become an important gateway for Japan to enter the Latin American market.

The group met in Santiago on 13 and 14 September. It was the first time the plenum, with both Japanese and Chilean members, had gathered. This is the first committee of this kind to be constituted in South America, and was created when President Aylwin visited Japan in November 1992.

The objectives of this committee are to enhance bilateral relations, explore areas of interest for possible development, and generate ideas for implementing these on a medium- and long-term basis. This is a multidisciplinary committee consisting of government, academic, business, and media representatives from the two countries.

The Chilean participants were: Foreign Policy Director General Carlos Portales; presidential adviser Marcelo

Trivelli; businessman Roberto Andraca; EL MERCURIO editor Juan Pablo Llanes; and Chilean Ambassador to Japan Eduardo Rodriguez.

The Japanese participants were: Kiyohito Arafune, director general of the Latin America and Caribbean Department of the Japanese Foreign Ministry; Akio Hosono, dean of the International Relations Department of Tsukuba University; Shinichiro Kobayashi, director general of international affairs at the Bank of Tokyo; and Michio Takimoto, editor of the English version of the newspaper MAINICHI.

The next meeting of this group will take place next year, in Tokyo. [passage omitted]

Colombia

FARC Linked to Drug Traffickers

PA0110133693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 30 Sep 93

[From the "National Newscast" newscast]

[Text] Evidence of drug trafficker-guerrilla ties is beginning to arrive at the Prosecutor General's Office, precisely at the time the director of the DAS [Administrative Department of Security] requested, at the Interpol World Assembly, that the guerrillas be considered drug traffickers and be sought as such.

The "National Newscast" has learned of a document that lists the regions in which the FARC [Revolutionary Armed Forces of Colombia] has illegal plantations.

At the seventh National Guerrilla Conference in 1982, the FARC Staff formally established its relations with drug traffickers. They began to sell drugs and provide surveillance for coca plantations and its processing. During the last two years, they began to plant poppies.

This would be the map of the FARC cartel: In Caqueta Department, the 3rd, 14th, and 15th Fronts are dedicated to the illegal business. In Guaviare Department, the 1st and 7th Fronts conduct surveillance of the coca plantations. The 28th and 38th Fronts aid drug traffickers in Casanare Department. The 2d and 7th Fronts operate in Huila Department. The 4th and 19th Fronts operate in Magdalena Department. The 10th Front operates in Arauca Department, and in Boyaca Department the 11th Front. Fronts 16 and 39 work on the plantations in Vichada Department. In Cundinamarca Department, the FARC 22d Front; in the two Santanders [Santander Department and Norte De Santander Department], Fronts 32 and 33, and the 27th Front operates in Antioquia Department.

[Begin DAS Director Fernando Britto recording] In certain areas of the country, the peasants and indigenous peoples have reported that they have been pressured into planting poppies or other types of illegal plants. [end recording]

According to information from the state's intelligence corps, the activities with drug traffickers are directed by FARC financial blocs operating in the Middle Magdalena region under Miguel Pascuas.

In areas of the Norte De Santander, Guajira, Antioquia, Valle, and Tolima Departments they are headed by Timochenco [Timoleon Jimenez]; in the Caqueta, Huila, and Putumayo Departments they are headed by Ivan Marquez; and in the eastern part of the country they are under the command of Raul Reyes.

Extradited Cartel Finance Chief To Testify for U.S.

PA0110170693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 1 Oct 93

[Report by Miriam Ortiz; from the "24 Hours" newscast]

[Text] Eduardo Martinez, who was extradited to the United States and charged with money laundering and managing the Medellin Cartel's finances, has become one of the U.S. Government's main witnesses against the criminal organization.

[Begin Martinez recording] We all have to prove if we are guilty or innocent. That is what the law states. [end recording]

After denying any participation in the Medellin Cartel's money-laundering activities, Colombian Eduardo Martinez Romero, considered by the DEA as the finance chief of the drug organization, has decided to negotiate with U.S. justice and enter the witness protection program.

According to what the "24 Hours" newscast has learned from DEA and U.S. Justice Department sources, Martinez has collaborated up to now with very valuable information on the Medellin Cartel's money-laundering activities through legitimate firms in the United States and Colombia. We tried to get more details from his lawyer in Atlanta, but he only said: No comment.

Martinez was arrested at his Tordecillas farm, located between Sincelejo, his home town, and Tolua, in Sucre Department on 21 August 1989. He was extradited to the United States in a DEA plane on 6 September 1989. An Atlanta court had requested his extradition on charges of laundering $1.1 billion from drug-trafficking activities.

To extradite Martinez, the Colombian Government, headed by President Virgilio Barco, used administrative procedures for the first time. The government extradited him, however, on condition that he not be condemned to death or to more than 30 years in prison.

President, Minister on Peace Process, Politics

PA0110230093 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 1 Oct 93

[Report by Raul Gutierrez; from the "24 Hours" newscast]

[Text] Today, President Gaviria talked a little bit about everything and everybody. He said the peace process with a dissident faction of the National Liberation Army [ELN] will be maintained and that, if there are people responsible for the death of Enrique Buendia, the Socialist Renewal Movement's spokesman, they have to be punished.

[Begin Gaviria recording] The government believes the process will probably not regain vitality and credibility until the investigation is concluded, yields results, and establishes responsibilities, if this is required. [end recording]

As presidential hopeful Carlos Lemos has asked why several of the candidates' relatives, who hold high positions in government, have not resigned, President Gaviria answered:

[Begin recording] [Gaviria] The government minister or the secretary general will inform you that several have already resigned.

[Government Minister Fabio Villegas] The directors of Findeter [Territorial Development Credit Office] [Financiera de Desarrollo Territorial, S.A.] and Rural Roads [Caminos Vecinales] have already resigned. [end recording]

In regard to the dismissal of Hetchel, Melquisedec Marin, and Rodrigo Turbay from Liberal Party presidential hopeful Ernesto Samper's campaign, the president said:

[Begin Gaviria recording] I have no comments.

[Unidentified reporter] That is why it is said that your heart is divided between the two leading personalities in the polls. Is this true?

[Gaviria] The president of the Republic is impartial. The president of the Republic must ensure the electoral process. [end recording]

On his unplanned meeting with actor Anthony Quinn and soccer champion Edson Arante Do Nacimento, also known as Pele, in New York, he said:

[Gaviria] [laughs] No, the meeting with Quinn and Pele was totally accidental. We met in a New York restaurant. Pele said many wonderful things about the Colombian soccer team. He said he thought the Colombian soccer team was the best team in America. [end recording]

Coffee Producers Regret U.S. Withdrawal From OIC

PA0310185693 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 28 Sep 93 p 13A

[Text] Coffee producing and consuming countries meeting in London on 27 September lamented the U.S. Government's announcement of its withdrawal from the International Coffee Organization [OIC], an event that has been regarded as the organization's coup de grace. "We were taken by surprise by the U.S. delegation's announcement," said Nestor Osorio, Colombia's permanent delegate to the OIC.

The United States is the world's leading coffee importer. Its departure from the organization leaves the possibility of a new agreement in a precarious if not impossible situation. The surprise was greater because the United States had voted in favor of extending the agreement, without economic clauses, until September 1994.

Osorio said all OIC member countries are aware that present conditions are not right for resuming negotiations, but they hope to discuss in the course of the year the future of cooperation and the extent of the probable joint policies between coffee producers and consumers. The U.S. decision interrupts 30 years of cooperation, Osorio said. The United States is charter member of the OIC and has negotiated several agreements.

Osorio said Colombia will remain in the OIC, as will the European Community countries, Japan, Austria, and Switzerland. According to some analysts, the U.S. decision, announced in London on 26 September, may have been triggered by the U.S. commerce authorities' interpretation of the recently created Association of Coffee-Producing Countries in Brasilia.

According to Colombian private producers and exporters, the U.S. withdrawal from OIC is the final blow against any organization's attempt at reestablishing a quota system and price controls. The producers and exporters also think there might be commercial retaliation by the U.S. Government in response to the new association.

Gabriel Rosas Vega, president of the National Association of Coffee Exporters, believes that the OIC should be stripped of all bureaucracy and its expenses reduced. He ruled out, however, the possibility of downsizing the OIC in view of the U.S. delegation's withdrawal, stating that the OIC should be preserved as a technical discussion forum and for statistical purposes.

Campaign Official Reportedly Under Investigation

PA0410000693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 30 Sep 93

[From the "National" newscast]

[Text] The leadership of the fight against corruption that all candidates were vying for is becoming too heavy a

burden. First, it was Ernesto Samper; it is now Andres Pastrana's turn to choose friends. Some of them, who are rather unadvisable company, are being questioned already.

It is Pastrana's turn now. According to Rodrigo Marin, Representative (Leovigildo Gutierrez), who was recently in prison for mismanagement of subsidies and who is currently being investigated by the Council of State and the Chamber of Representatives' Ethics Commission, is Andres Pastrana's political head in Meta.

[Begin Marin recording] Representative (Leovigildo Gutierrez), who is the debate chairman of Pastrana's campaign in Meta department, was indicted for illegal enrichment. His precautionary arrest a month ago at the Chamber of Representatives was quite a spectacle. He is currently on probation. [end recording]

Andres Pastrana has just replied to the accusations of his opponent Rodrigo Marin:

[Begin recording] [Pastrana] I have not started my presidential campaign yet; therefore, I have no debate chairman. Once I start my campaign, of course I would look into it.

[Reporter] Is Dr. Gutierrez a member of the New Democratic Force [party headed by Pastrana] Directorate?

[Pastrana] No, he represents the Conservative Party. Not only Dr. Gutierrez, but many Colombians have supported and proclaimed Pastrana's candidacy.

[Reporter] Once you announce your candidacy, do you plan to expel Dr. (Leovigildo Gutierrez)?

[Pastrana] We will review this and would of course be willing to do so. [end recording]

* 'No New Proposals' at Social Security Forum

93P20393A Santa Fe de Bogota EL TIEMPO in Spanish 26 Aug 93 pp 1-4 C

[Text] The forum to discuss the social security bill did not yield the expected results. The private sector, workers, and the government once again presented their points of view but no new proposals were heard, and the only conclusion reached was that the issue has already been sufficiently discussed.

Nor was there a large attendance by congressional representatives. No more than 15 representatives were present in the full Senate chamber.

Instead, the chamber benches were overflowing with workers and pensioners who raised a big hullabaloo with their protests and booing directed at the government and those sponsoring the social security reforms.

The forum was convened as a result of a proposal by Liberal Party precandidate Ernesto Samper Pizano. However, some were questioning yesterday why Samper had not attended.

Campaign advisers explained that Samper had merely wanted to facilitate discussion of the issue, but had not intended to participate directly in the discussion.

At the forum, organized by the Seventh Commissions of the Senate and the House of Representatives, and where the same criticisms and suggestions by associations, unions, and pensioners regarding the initiative were heard, little was contributed to the discussion.

Association representatives reiterated their proposals concerning the initiative, while union representatives, seated on their designated benches, interrupted each of the speakers with shouts of opposition.

Luis Fernando Ramirez, the minister of labor, said that the government was interested in the forum in case some new proposals would be presented, but "it was confirmed once again that the topic has been exhaustively discussed."

The president of the National Association of Industrialists, Carlos Arturo Angel, said that the forum did not contribute anything new to what had already been discussed. "We have heard the same proposals," he emphasized.

In a message delivered to the presidents of the Seventh Commissions of the Senate and the House, Rodrigo Bula and Aristides Andrade, respectively, Samper Pizano expressed his satisfaction that the forum was held and said the event "takes on the greatest importance for the country, since it serves to broaden the consensus concerning the bill and to facilitate its passage through the legislature."

In a communique issued by the campaign, Samper said: "What is needed now is to continue discussion of the initiative via normal channels so that the country can approve a new social security system as soon as possible."

[Box, p 1C] Health and Pension Proposals Were Reiterated

ANDI

The National Association of Industrialists (ANDI) supports changing the proportion of pension contributions made by employers and employees. According to Carlos Arturo Angel, president of the association, it is necessary to maintain the current distribution: 66.6 percent paid by the employer, and 33.3 percent paid by the worker.

In addition, ANDI feels it is necessary to equalize the requirements called for in the two pension systems (that of the Social Security Institute (ISS) and that of the private funds): tax payments during 1,250 weeks, and a retirement age of 60 years for women and 62 years for men.

CUT

The Worker's Unitarian Central (CUT) proposed suspending discussion of the bill because it considers it to be "harmful to the interests of workers." The first vice president of the CUT, Luis Alejandro Pedraza, called for a national civic strike to be held on 16 September.

Fenalco

The National Federation of Businessmen (Fenalco) summarized its position on the initiative in a document containing 22 points. For businessmen, the increase in contributions should be done gradually (over a period of four years) to avoid causing difficulty to some sectors of the economy due to the high cost involved.

The association favors changing the value of the pensioners' contributions and maintaining the existing proportions: two-thirds paid by the employer and one-third paid by the worker.

CGTD

The General Confederation of Democratic Workers (CGTD) insisted that it is not only necessary for the social security reform to address pensions and health, but that there must be a complete social security program which covers all the risks which arise over the course of a lifetime.

Fasecolda

The Union of Colombian Insurers, Fasecolda, proposed reformulating the criteria to establish a minimum profitability for private pension funds. The president of Fasecolda, William Fadul, insisted that in establishing this, it is necessary to maintain only the average profitability in the funds, decreasing it by 10 percent.

With regard to health, he asked for increased participation by the private sector in the National Council for Social Security since this organization will determine the most important aspects of the system.

* Attitudes Toward Corruption, Morality Surveyed

* 'Appropriate' Campaign Issue

93P20376A Santa Fe de Bogota CROMOS in Spanish 6 Sep 93 p 42

[Text] A poll conducted by the National Consulting Center for CROMOS magazine and the Caracol network yielded obvious results with regard to the issue of corruption: 84 percent of respondents said it is an appropriate issue for presidential campaigns, and 64 percent felt that having a government program specifically targeting corruption was very important.

However, fewer than 45 percent said that candidates' private lives and how they manage public funds were decisive factors in casting their ballots.

Do you believe that corruption is an appropriate issue for a presidential campaign, as is the case with security issues or the economy?

Yes	84 percent
No	13
Unsure/No Answer	3

How important is it to you that the presidential candidate you support have a program planned for his government to fight administrative corruption?

Very important	64
Important	30
Of little importance	6

Do you believe corruption is worse in the public or the private sector?

Public sector	53
Private sector	14
The same in both	33

Do you feel that the corruption problem in the public sector is very serious, serious, or not very serious?

Very serious	53
Serious	41
Not very serious	4

Do you consider presidential candidates' private lives to be a factor which is very important, important, or of little importance in deciding for whom to vote?

Very important	31
Important	44
Of little importance	25

Do you feel that a presidential candidate's record in managing public funds is a factor which is very important, important, or of little importance in deciding for whom to vote?

Very important	31
Important	41
Of little importance	9

Do you feel that the record of a presidential candidate's close advisers in managing public funds is a decisive factor in deciding for whom to vote?

Very important	44
Important	45
Of little importance	11

The poll was conducted on 19-20 August 1993, among 600 persons in the cities of Bogota, Medellin, Cali, Barranquilla, and Bucaramanga.

* Honesty of Candidate Said Important

93P20376B Medellin EL COLOMBIANO in Spanish 1 Sep 93 p 5

[Excerpts] By an overwhelming majority, Medellin residents agreed that morality should be an important issue in the election campaign, after saying that morality was a concept that was absolutely clear.

This was the outcome of the weekly poll conducted by EL COLOMBIANO, Caracol, Noticias U.N.A., and the National Consulting Center, in which 83 percent of respondents [number of respondents not indicated] agreed with that statement and only 11 percent disagreed. [passage omitted]

For you, is morality a concept that is absolutely clear, moderately clear, or not very clear.	
Absolutely clear	74percent
Moderately clear	20
Not very clear	6

For you, are ethics and morality two different concepts or the same thing?	
Different concepts	63
The same concept	30
Unsure/No answer	7

With regard to presidential campaigns, are the following of great importance, moderate importance, or little importance to you?	
Variety of the candidate's ideas?	
Great importance	55
Moderate importance	22
Little importance	23
Respect for other contenders	
Great importance	57
Moderate importance	16
Little importance	12
Views concerning morality	
Great importance	81
Moderate importance	10
Little importance	9
No answer	1
Views concerning ethics	
Great importance	82
Moderate importance	8
Little importance	10
The honesty of the candidate	
Great importance	93
Moderate importance	2
Little importance	5
The honesty of close advisers	
Great importance	85
Moderate importance	9
Little importance	6

Of the aforementioned items which do you feel is the most important?	
The honesty of the candidate	51
Ideas on morality	31
Ideas on ethics	7
Respect for other contenders	3
The variety of the candidate's ideas	3
Honesty of his close advisers	3
Unsure	2

* Samper Seeks Distance in Relations With Gaviria

93SM0429A Santa Fe de Bogota EL ESPECTADOR in Spanish 22 Aug 93 p 8A

[Report by Jesus Ortiz Nieves]

[Text] The fact that Ernesto Samper and Andres Pastrana are virtually deadlocked in the polls has made the political campaign unusually intense. In the last few hours, the two candidates' positions on the government of President Cesar Gaviria have changed dramatically.

While Samper distances himself increasingly from the government, Pastrana stands by it firmly, and he himself has pledged not to remove the cabinet members who currently represent the New Democratic Force.

Each of the presidential aspirants is represented by two ministers: Samper by Agriculture Minister Jose Antonio Ocampo and Transport Minister Jorge Bendeck Olivella, and Pastrana by Labor Minister Luis Fernando Ramirez and Development Minister Luis Alberto Moreno.

Back when Samper was at the Development Ministry, it was apparent that he disagreed sharply with the government on the matter of economic liberalization, and he had constant clashes with Finance Minister Rudolf Hommes.

Now those differences have grown more pronounced, as evidenced by two developments this week: the debate on the social security law and the exclusion of the Agriculture Ministry from the mixed commission to study the coffee situation.

According to sources at the Casa de Narino [presidential palace], at first the president was extremely annoyed because, like many others, he regarded Samper's proposal of a forum to debate social security reform as an effort to "torpedo" the project. Later, however, when the

Samper camp provided an explanation, he stated publicly that he saw no problem in holding the forum.

The government also "went into reverse" and announced that the coffee study committee would include the Agriculture Ministry after all.

Samper showed how much political clout he has. He has at least two-thirds of the Liberals in Congress on his side, and they make up a majority in that body.

As people say, the fate of the most important legislation wending its way through Congress in this session depends to a great extent on the stance taken by the Samperists, the only organized Liberal delegation that is taking orders from a candidate with a strong chance of being elected president of the Republic.

In addition, Samper is well aware that if he becomes president, he will have to govern in the shadow of bills that are passed this session.

For this reason, at his Wednesday meeting with 70 Samperist congressmen, the agenda included an in-depth study of five bills regarded as essential for the future: the social security law, which may cost workers and employers an estimated 500 billion pesos more beginning in 1994; the general education law; the royalty law, which will determine how the lucrative proceeds from the oilfields are spent; the television law, which will privatize all channels; and the territorial organization law, which is of vital importance to several regions in the country.

Samper's estrangement from the government has also become apparent in connection with the handling of the agriculture-livestock sector. In the last few hours, however, the government has shown more flexibility in acceding to the requests of Samperist Agriculture Minister Ocampo. It would not be surprising if one of the reasons for Samper's eventual withdrawal from the government were the lack of support for the policies advocated by Ocampo to solve problems in the farm sector.

Senator Fabio Valencia Cossio's reaction to Samper's statement on the social security law encapsulated this struggle between Samper and the government in a nutshell. He noted ironically that it would be nice if Congress could determine whether the directives on the social project are coming from the Casa de Narino or from Samper's campaign, and that it would also be nice if they told the country whether they are now collaborating.

In this debate, one of the most heated ones to take place in the presidential campaign, Andres Pastrana has kept silent. Some Liberal congressmen have advanced the following theories: that he does not want to be seen as a staunch defender of the government, even though he has given no indication that he would remove its ministers; that he does not want to pick a fight with a group like the Samperists, who may not be in a position to get the social security project passed by themselves but are certainly in a position to sink it; and that there are so many obvious contradictions in the social security bills that are being debated in plenary sessions of the House and Senate that it is not a good idea to take a strong stand for one side or the other.

As for Samper, there is one powerful reason, besides his ideological differences with the government, that would prompt him to remove his ministers: the possibility of smoothing the way for Carlos Lemos to enter the popular consultation.

But Lemos returned from the Far East spewing forth more criticism than when he left. And in addition to demanding the removal of the ministers, he added another demand: that the Samperist congressmen be denied quotas in the government.

At last Wednesday's meeting with the other Liberal precandidates and former President Turbay Ayala, Samper said that he was still willing to remove the ministers, but it is obvious that if he does, and if Lemos does not participate in the consultation, he will simply "play the fool."

Thus, it does not appear that Samper will leave the government anytime soon, much less that there will be an aggressive and scandalous confrontation. Nevertheless, if the Liberal precandidate's goal was to make it clear that he differs with Gaviria on style and programs, and incidentally to gauge his strength, he has succeeded. To be sure, he was not able to avoid exposing the serious ideological conflicts that exist within his own movement.

* Columnist Views Gaviria-Samper Relationship

93SM0430A Santa Fe de Bogota EL TIEMPO in Spanish 22 Aug 93 pp 5, 19A

[Commentary by regular EL TIEMPO columnist D'Artagnan]

[Text] The subtle but increasingly obvious coolness between Ernesto Samper and Cesar Gaviria reminds me of what the 1982 campaign was like for the Liberals. At that time, the current president was Turbay and the official party candidate was Lopez Michelsen, with Galan as the dissident.

Back then there was a lot of talk about "Turbo-Lopism," a distasteful term that, in my opinion, did as much damage to Lopez's candidacy as it did to Turbay's government. Thus, while people thought that the two leaders were engaging in a kind of conspiracy, what was really taking place was a gradual deterioration in their relationship. Time later healed whatever wounds there were, but at the time there were the same silent recriminations we are seeing today, to the inevitable detriment of the Liberal Party.

With slight variations, this is what may be happening now between Gaviria and Samper. Gaviria did appoint Samper his prime minister for development and later his

ambassador to Spain. These two posts are, if you will, a *sine qua non* for the *curriculum vitae* of any presidential aspirant. In this regard, Gaviria was generous with Samper, despite the irreconcilable differences that arose between them in the government because of their antagonistic ideologies.

On the other hand, while the president conceded this point to the rival he had defeated in the 1990 elections, the latter, in the final analysis, personified and still personifies the most significant political force; and that is why the Samperists have been represented by different people in the administration since that time. Gossips say, however, that the friction between the two leaders is so great that the president has made sure Samperists are placed in veritable cesspools, like Horacio Serpa at the Peace Council and Jose Antonio Ocampo in the ministry that has had the worst luck, the Agriculture Ministry. And, of course, all the past disagreements between Hommes and Ocampo have been allowed to flourish, particularly now that no spokesman from this ministry, nor the minister himself, has been included on the Mixed Commission on Coffee.

Even though the Samperist group in Congress has been essential for passing many of the government's legislative programs, the duel between the two chiefs has come more and more out into the open, and for one reason: Regardless of the fact that Samper and Gaviria have had different views on economic policy (which is not the case with Gaviria and Andres Pastrana, for example), the fact that Samper has to offer alternatives to what the current regime is offering obviously makes it necessary for him to step on some toes and ruffle some official feathers, in short, to open up new realms that neither Gaviria nor his ministers are willing to acknowledge or accept.

These differences have been aggravated, to a certain extent, as the campaign has gotten under way. Thus, while Samper continues to advocate a gradual liberalization of the economy, which in his opinion has not seen sufficient response for the internationalization of the economy, the government rejects out of hand the argument that such compensation has not taken place, as if it were selling out the country or betraying it under the auspices of the economic liberalization. The gap is therefore growing larger on key issues such as coffee, the revaluation of the currency, and now the social security bill. The government is very anxious to see this bill pass, but it has aroused hostile reactions in various circles (even within the Samperist movement, where there are both social democrats and neoliberals). Consequently, Samper tried to sound a warning, and the powder keg blew up.

Furthermore, though some assume that De La Calle's candidacy was launched by high-ranking officials at a strategic time like a kind of car bomb that would destroy Samper, now Samper is threatening to withdraw his people from the administration if that is, incidentally, one of the conditions demanded by Lemos for entering the consultation. Lemos has said that it is not enough to withdraw ministers, and besides, I do not think this type of public announcement is likely to please the person who ultimately appoints or removes the ministers. But my support for Samper's candidacy does not prevent me from thinking that this was an erratic move on his part. The two sponsors of the social security bill are known Samperists (Alvaro Uribe Velez and Fernando Botero Zea); one of them is the national coordinator of his campaign. Not to mention the fact that the labor minister belongs to the New Force.

Not only does the administration appear to have a greater and stronger affinity with the Pastranist ministers than with the so-called Samperist ministers, but I also think, with all due respect, that Samper will not benefit much from a confrontation with Gaviria, which is what he seems to be heading for. This is because, first of all, he should realize that Parejo's and Lemos's dissidence will open the door for his aspirations within the party anyway. Second, Andres Pastrana may be a "teflon" candidate, as his critics say, but that does not mean he is not a serious rival. And third, if, in addition to those obstacles, the disagreements between the eventual official candidate of the party and the natural leader, the president, become insurmountable, Samper will suffer more than Gaviria does, although in the end both will be losers and the Liberals will fall from power because of these rivalries, which are as human as they are dishonorable.

Paraguay

President Wasmosy Addresses OAS Meeting

PY0110201693 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 2257 GMT 30 Sep 93

[Address by President Juan Carlos Wasmosy at the OAS headquarters in Washington—live]

[Text] Mr. President of the OAS Permanent Council; Messrs. Ambassadors and Representatives of Permanent Missions; Mr. Secretary General; Your Excellencies; Ladies, gentlemen, compatriots, and friends:

Deeply moved, I address the House of the Americas, the hemisphere's forum for political dialogue, trade, and economic and cultural cooperation. Upon occupying this rostrum, I wish to express, in the name of the Paraguayan people, our appreciation and gratitude to OAS Secretary General Ambassador Joao Clemente Baena Soares for his intelligent and renovating leadership, ably adjusting the organization to the requirements of a new era and, in the particular case of my country, for heading a mission of OAS observers to the elections in Paraguay last 9 May.

Deeply moved, I mention before this magnificent forum that the first diplomatic post that Ambassador Baena Soares occupied outside his country took him to a land in the center of South America, my fatherland, Paraguay.

Three years ago, we celebrated in Asuncion the first centennial of the Inter-American system, the development of which, over the years, reflected this century's various historic periods, an Inter-American system that attempted to offer a regional response to the challenges posed by each period. It is worth pointing out that the organization, bearing the historic name of Pan-American Union, was established before the United Nations, which it joined under Article 52 of the UN Charter.

We have advanced significantly in hemispheric coexistence since an entire process of democratic strengthening throughout the hemisphere was initiated through the Declaration of Asuncion. At that time, various countries began their transition to democracy.

The Paraguayan Government reaffirms its faith in the representative democratic system as a legitimate and free expression of the people's will and as the only system of government that will guarantee the Inter-American system. On the threshold of the 21st century, we also express our commitment to strengthen and enhance it. My government will comply with its proper commitment.

The Declaration of Santiago created an effective mechanism to seek the restoration of disturbed democratic rule and to create the conditions required to meet the challenge of the nations' economic and social development.

The Declaration of Managua, on the fostering of democracy and development, complements the Declaration of Santiago in that it notes that democracy not only requires championing it when its basic tenets and principles are violated, it also requires a permanent and creative toil to strengthen it, and permanent efforts to prevent and anticipate the problems of the democratic system of government.

The Declaration of Managua notes that the strengthening of democracy requires preventive and encouraging initiatives and programs to develop it. It also involves extraordinary efforts, aimed, among other things, at eradicating the critical poverty that erodes the full democratic development of the hemispheric nations.

Liberty dawned in Paraguay, which had been plunged into the darkness of authoritarianism for a long time, on 3 February 1989. With this historic date, the transition to democracy began with the Paraguayan people's unanimous and joyous support. The gates were opened to a process of effective public freedom as never before in Paraguayan history. It is not an easy road, but we are travelling along it with tolerance, understanding, respect, and in a peaceful way, overcoming impatience, fears, and the mistakes that are typical of every human endeavor.

Several steps have been taken, including the new Constitution which was approved on 20 June 1992, the 1990 new electoral code, the unrestricted effectiveness of press freedom, and the free exercise of all civil rights. Another significant step toward the enhancement of our democracy were the general elections of 9 May 1993 when my party, the National Republican Association, Colorado Party, demonstrated its democratic calling as Paraguay's most significant electoral force, thanks to its strength and spirit. This was demonstrated by these elections in which I was elected as constitutional president for the 1993-98 term after a civic contest in which all the Paraguayan political sectors participated.

During a peaceful power transfer on 15 August 1993, I was sworn in as the first civilian president in nearly 40 years. This was one of the very few peaceful power transfers in our Republic's political history and it was enhanced by the illustrious presence of many chiefs of state, OAS members, and nearly 100 honorable delegations from the entire continent. On that occasion, I expressed my resolute will to govern our country by strictly respecting and observing the Constitution and the laws.

My government is at the service of humanity and will continue to construct the democratic fatherland we all want. All inhabitants in the Republic, without any distinction, will also participate in this construction.

I have also said that during my government, no compatriot, no matter his or her political membership, party or movement, will be excluded from democratic life. Today I can proudly state that the entourage that I head is made up of prominent leaders and congressmen from all the political forces of our Republic.

Today, I can also proudly say that my fatherland, Paraguay, is no longer the country of exile and torture. In Paraguay, human rights are fully respected. After many years of a painful and unjustified absence, my country has signed the pact of San Jose de Costa Rica as an obvious sign of our intentions.

I intend to continue enhancing the level of respect for human rights because, despite our significant progress in recent years, it is always necessary to remain watchful in the compliance of human rights precepts. We must not forget that the victory of liberty alone does not make poverty recede. Therefore, we will enhance production, with the greatest popular participation possible, because we must achieve an appropriate supply of goods and basic services for the population in general as impoverishment and increased difficulties to earn a living invite the temptation of occasionally blaming these evils on democracy.

If we do not manage to reduce poverty, there will be a reversal of integration: If the have-nots lack the faith to overcome their situation, the state and the legal systems run the risk of becoming easy prey for violence and immorality. Thus, this social problem has become a political problem of unprecedented size as it seizes our youth.

Our entire society, not just the government, must become involved in the task of combating the scourges

that jeopardize all the nations of our hemisphere. As president, I will strive to properly integrate our country into the international economy in keeping with our conditions and the resources available to us.

This productive transformation will be sustainable if the policies designed to guarantee social union and the equitability in the distribution of the resources coexist. The strengthening of this economic change must be complemented by social transformations within a framework of free trade, with clear rules and without subsidies or administrative restraints. Today's major task is to unite the countries of our hemisphere so that we can help each other and grow jointly.

There must be organizations to establish rules for the mutual benefit of the nations in the areas of their common interests. There must also be organizations to monitor the performance of countries in the compliance of their integration commitments through which we may all progress and achieve shared benefits so that our democratic rules will be increasingly perfected.

North America is experiencing a promising stage in its relations. Mexico, Canada, and the United States propose a free trade zone. In a praiseworthy effort, countries of different histories, cultures, languages, and ways of living have decided to complement their economies.

NAFTA reflects an effort to manage the conditions of world economy and so achieve shared prosperity. On the threshold of a new century, these three nations have become aware ol the fact that, more than ever before, economic growth depends on the opening of new markets abroad and on an increase in the volume of world trade.

In the southern part of our hemisphere, an ambitious program of economic and commercial integration and complementation among four brotherly countries, called Mercosur [Common Market of the South], has begun in the understanding that the opening and strengthening of expanded markets must necessarily involve the unity and complementation of regional markets. We hope that the completion of these initiatives will be very beneficial for all of Latin America and the Caribbean.

We cannot ignore that the world is sensitive to the serious situation of the environment. Fortunately, there is an awareness of the importance of environmental defense and preservation as demonstrated by the ECO-92 conference held in Rio de Janeiro. Although our country has priority problems, involving development, we will increasingly concern ourselves with issues linked to the future of our planet.

We commit ourselves to fully complying with international conventions to preserve world environment. To protect our natural resources, we ask for the support of international organizations to achieve sustainable development in our territory.

In view of the international crisis related to the transfer of toxic waste to the developing countries, my government proposes implementing control measures to guarantee a total ban on receiving such waste. We will face with decision the environmental problems caused by massive deforestation, contamination of our rivers, and the inadequate use of soil. We are ready to carry out many tasks in order to achieve a sustainable development. The model chosen will be the one that offers least social cost. To do that we will stress the humanization of work and the training of human resources based on receiving and using advanced technology.

Hard work will become a national obsession to achieve a high level of education. We must remember that it is not through glory but through duty that children are taught and stimulated in their studies. It is my objective to make the state into an instrument for development. We will seek to balance the budget, always remembering that the problem is not so much the size of the state but how the public and private sectors behave and how they fulfill their respective roles.

The two sectors must help each other to achieve the real purpose of their missions. My government has submitted to Congress a harmonic budget that advocates development, hoping to obtain the support of the international banks and of the countries capable of financing us.

Paraguay has a fertile territory which has been endowed by nature with renewable sources of energy. Its laws and institutions guarantee the investments of foreign capital under favorable conditions. We invite you to invest in Paraguay.

Recalling President Kennedy, I would like to say that we will transform the American continent into a melting pot of revolutionary ideas and efforts as a tribute to the energy of men and to demonstrate that freedom and progress go hand in hand.

Mr. President, Mr. Secretary General, Permanent Representatives: Paraguay pays tribute to this old organization that gave birth to solidarity among the countries of the Americas by following the dreams of Bolivar. We have experienced all kinds of problems, which is normal along the path that leads to maturity, but I feel we are approaching it.

Illustrious representatives, on your behalf I greet all our brothers of the Americas who hope that our large geographical size and our multiple social conditions will be an example of fraternal solidarity and endless hope. Thank you very much. [applause]

Returns From 'Unprecedented' Visit

PY0210205193 Asuncion ULTIMA HORA in Spanish 2 Oct 93 p 14

[Text] Paraguayan President Juan Carlos Wasmosy returned to the country at 0300 this morning and held a news conference to briefly outline his activities and those of his entourage in New York and Washington. "The

results obtained so far have been excellent," the president said. He added that investors will start arriving next week. Wasmosy stated that this was an unprecedented trip, and mentioned a NEW YORK TIMES headline which read: "Paraguay is Back on the Map. We have really made some headway, such as reopening the market for Paraguayan meat. Throngs of foreign investors will be coming in as of next week," the president said.

Among the main accomplishments of his trip, Wasmosy mentioned that Paraguay has obtained an Inter-American Development Bank loan for elementary education, and has requested a $100 million loan to finance social projects. Wasmosy explained that should the administration be able to obtain this loan it would be able to satisfy governors, mayors, and departmental councils, allowing them to start up social projects weekly, responding to the needs of local residents of the district, city, or department.

Wasmosy stated that Public Works and Communications Minister Carlos Facetti, Finance Minister Crispiniano Sandoval, Foreign Relations Minister Diogenes Martinez, and Presidential Secretary General Hugo Saguier Caballero stayed behind in the United States to wrap up all the negotiations that had been initiated, to follow up on them and finish them as soon as possible.

New Economic Presidential Adviser Appointed

PY0110175093 Asuncion ABC COLOR in Spanish 28 Sep 93 p 5

[Text] The executive branch yesterday proclaimed Decree No. 439 which appoints Carlos T. Mersan Galli as presidential adviser in the economic field, ad honorem, with the rank equal to a minister of state. The decree states that given the need for an economic adviser to comply with the duty of president of the Republic, it is advisable to appoint a presidential adviser in this field.

Joint Military-Police Operation Begun Nationwide

PY0110182293 Asuncion NOTICIAS in Spanish 30 Sep 93 pp 6-7

[Text] The largest military-police operation since the fall of dictatorship in 1989 began (at 0400 this morning) today. The first objective, according to the document, (to which we had access), is the fight against "the continuous increase in crime in the departments of Amambay, Canindeyu, Alto Parana, Itapua, Guaira, and Caazapa."

The number of troops involved in this operation is 20,000. The National Police will deploy technical and tactical personnel to prevent and/or repress criminal actions. The Army is in full command of all operations in the different departments. Within this context, military commands will be established in each department. The commanders will act as garrison commanders. In Amambay Department, actions will be commanded by Brigadier General Jose Segovia Voltes; in Canindeyu by Brigadier General Mario Barreto Aguero; in Alto Parana by Brigadier General Santiago Zaracho, and in Itapua by Brigadier General Juan Simeon Paredes Bareiro. Brigadier General Daniel Idoyaga will command the operations in the departments of Guaira and Caazapa. These joint military and police operations will temporarily occupy the affected places.

The document which outlines the operation states in its Topic K, Clause 3, that the operation seeks the arrest of people and the confiscation of elements (mainly weapons) which will be deposited in pre-established places. "All arrested people and seized elements will be sent to the appropriate institutions," the document explains. It adds that interdepartmental communications systems will be established to set the general coordination orders. The chief of the fourth department (Guaira) will coordinate the operation.

According to the timetable, the Army will be in full charge of the operational command and will set the methodology to be followed. It is appropriate to note that the police will provide technical and logistics support. This is the first known large military mobilization since the fall of dictator Alfredo Stroessner on 3 February 1989.

The number of personnel involved in this operation, 20,000, represents more than 50 percent of the troops in the Armed Forces. The operational corps will comprise personnel from the National Police and Army units which will have powers to arrest people in irregular situations, as well as to seize weapons and other elements which might be outside the law.

The document includes the general guidelines of the joint operation and states that the operation seeks to establish special measures for the "control, supervision, transit, and security of the population, as well as to support the task of personnel from several public institutions commissioned to provide rapid and effective action in support of this joint operation." The police will support the operation with technical personnel. Thus, the Department of Public Order is supporting the operation with a commanding officer for each department as of 30 September.

The investigations department will provide two officers for the department of Canindeyu, two for Amambay, two for Alto Parana; it will supply one officer for Itapua and one specialized personnel for Guaira and Caazapa Departments. The Identification Department of the National Police will provide one mobile unit and personnel for each department, while the Communications Department will provide one communications unit for each department. The Quartermaster's Department will provide logistic support for the operation.

The Motorized Group will provide a patrol pickup and a bus for the department of Alto Parana and will provide the necessary fuel for the operation. The Specialized Group will deploy two officers and 25 noncommissioned officers to the Department of Alto Parana; and two

officers and 15 noncommissioned officers for the other departments. To all this equipment to be supplied by the police must be added what will be provided by the military.

Another detail: All military and police institutions will be reinforced by other military units [as published] which, all together, according to remarks by Interior Minister Carlos Podesta, will total some 20,000 troops.

Military Leaders Silent

PY0110183393 Asuncion ULTIMA HORA in Spanish 29 Sep 93 p 7

[Text] Top representatives of the military leadership did not comment on rumors of discontent among the members of the Armed Forces. Military Forces Commander Vice Admiral Eduardo Gonzalez Petit only said he had no information. Army Commander General Lino Oviedo excused himself from any comment, saying that one of the few people authorized to speak is the commander of Military Forces.

The suspension of visits to garrisons by members of the Chamber of Deputies Defense Committee is seen as a delicate issue. The visits have created uneasiness among Armed Forces members due to the inspections being made by the committee members of the Army Quartermaster, who wants to stop the distribution of free rations. The committee president, Sergio Lopez, confirmed the rumor.

This morning, the top military leadership and other national officials attended a ceremony to celebrate the Boqueron battle anniversary and the Day of the Paraguayan Soldier at the National Mausoleum. At the conclusion of the ceremony, the media talked to the commander of Military Forces to get his opinion on the rumor. Without paying much attention and greeting his subordinates, Gonzalez Petit only said he had no information about it. When the reporters persisted, Gonzalez Petit only repeated his previous comment. He then got into his car and left.

Gen. Oviedo was then asked about the rumors. He said: "I will only talk about today's celebration. I will not be able to answer any other question." Oviedo said he is taking this position because there is an order from the commander prohibiting members of the Armed Forces, except the commander of Military Forces, from expressing opinions.

When asked if he would allow congressmen to visit Army units, Oviedo said: "I obey the orders of the commander. I am a soldier. It is the same as if you, at your workplace, oppose other people from entering, disobeying the decision of the company owner. Logically, you would be ousted.

Oviedo added: "If the commander orders, why would we not receive them? Do you think our garrisons are concentration camps? They are state property and we are only taking care of them. Perhaps it would bother us if we had "something to hide."

Armed Forces Displeased With Visits

PY0110194193 Asuncion ULTIMA HORA in Spanish 29 Sep 93 p 8

[Text] The National Defense Committee of the Chamber of Deputies has decided to explain to Juan Carlos Wasmosy, commander in chief of the Armed Forces, the objective of its visits to military barracks. The explanation will be given because the lawmakers' visits have caused displeasure among the military.

The visit to the Cavalry Regiment Quartermaster's Unit, which had been scheduled for this Wednesday, has been suspended. The military leadership and young officers are discontent with the visits being made by the lawmakers to learn whether the military are in favor of eliminating food supplies in return for a salary increase.

Committee Chairman Sergio Lopez has confirmed that there is displeasure within the Armed Forces. He said, however, that the visits to barracks will continue, as it is part of their congressional rights. "It is our right, and we will continue to exercise it even if it annoys some people," the lawmaker emphasized.

He said that as of today a drawing will be held to pick the institutions to be visited. The institutions will be visited "without previous warning, any time, any day, and at any military unit," Lopez added. However, in order to "smooth things over," the committee decided to meet with the commander in chief to explain to him the objective of the committee visits. This is how the lawmakers intend to moderate the military's displeasure. "After this dialogue, we hope the commander in chief will give precise orders to his subordinates that they should obey the members of a branch of government," Lopez said.

The Committees of Legislation and of Constitutional Affairs of the Senate decided by a majority vote to reject the executive branch veto of the law that annuls the Law on the General Organization of the Armed Forces. The Senate will endorse the resolution next week.

Military Chief Accused of Being Coupist

PY0210182093 Asuncion NOTICIAS in Spanish 1 Oct 93 pp 8,9

[Excerpt] Chamber of Deputies President Francisco Jose de Vargas has charged Military Forces commander Vice Admiral Eduardo Gonzalez Petit of being a coupist officer because he has threatened some generals with forced retirement if they allow congressmen to visit military garrisons.

De Vargas said he is only awaiting the arrival of President Juan Carlos Wasmosy to demand that Wasmosy publicly state whether any officer will be forced to retire if the officer authorizes the visit of congressmen to

military units. "If Wasmosy thinks this way, he must admit it once and for all," de Vargas said.

He added that "there is a double standard in all this because on 20 September I sent a letter to the president informing him of the visit of congressmen to military units. The letter was allegedly well received. However, we were surprised to learn from Vice Adm. Gonzalez Petit that he has issued a warning to the commanders of the military units about allowing congressmen to visit their units."

De Vargas said that "the president of the Republic speaks to me on the telephone a few times a day every other day, but he never called me to say: you know deputy, these visits may cause some trouble. On the contrary, he told me they are appropriate." [passage omitted]

Minister: Operation, Dissatisfaction

PY0210204093 Asuncion ABC COLOR in Spanish 2 Oct 93 p 2

[Text] According to Paraguayan Interior Minister Carlos Podesta, the involvement of military personnel in the joint operation that has been launched to fight crime in several departments of this country is absolutely justified, because police forces cannot cope with the "crime corporations" which in the minister's opinion are threatening Paraguayan sovereignty. "Unfortunately, we are dealing with veritable crime corporations, which are branches of multinational criminal organizations in charge of local operations. Thus they threaten the country's sovereignty," Podesta explained.

He used this argument to justify military involvement in domestic security, and downplayed criticism from several congressmen who claimed that the involvement of the Armed Forces in law enforcement operations is unconstitutional. Podesta stated that according to the legal advisers of the executive branch, military involvement in the joint military-police operation is not unconstitutional. "At most the issue is debatable," he emphasized.

During the news conference Podesta held on 1 October to explain the details of the joint military-police operation, the minister stated that this operation has several phases. "The first phase encompasses six departments. There will be a follow-up in subsequent phases for as long as necessary to ensure effective surveillance in fighting organized crime," Podesta said. He explained that the joint operation will go on "for as long as necessary to guarantee public security."

The minister thus confirmed that military involvement in crime control will be active and indefinite, which is something congressmen had questioned on the grounds that joint operations could be used as an excuse to place the country under a military siege.

Minister Podesta was asked whether there was any connection between the joint operation and the governability pact. He answered: "The struggle against corruption and the low level of public security were among the main concerns expressed during the talks between the parties." He added that the executive branch has taken to heart this concern of the politicians from other parties, so "this effort of ours is to some extent a response to the concerns raised within the framework of the governability pact."

The Interior Minister also denied that police officers were dissatisfied because Armed Forces generals were in charge of the joint operation. "The National Police are aware that this task calls for the cooperation of the Armed Forces, or at least some of its services, and if there are misunderstandings it must be due to lack of information," Podesta emphasized. He added that the police forces are calm, and there is no dissatisfaction over the fact that military officers are in charge of the operation. He also reported that the National Police will be in sole charge of certain phases of the operation.

Police Dissatisfaction Noted

PY0210172793 Asuncion ABC COLOR in Spanish 2 Oct 93 p 3

[Text] Widespread dissatisfaction has been perceived among mid-level and even high-ranking police officers, who have stated that within the framework of the repressive operation underway along the borders, their institution is once again subordinate to the military.

The officers, who asked not to be named for fear of reprisals from their superiors, explained that so far National Police chief, Chief Superintendent German Franco Vargas has displayed no decisionmaking abilities. "He has not made a single decision as far as organizing the National Police is concerned and he does not disguise his subordination to the military," police officers said. They also objected to the fact that Armed Forces generals, not police officers, are in charge of an operation to repress criminal activities.

The policemen stated that the Special Operations Group has 1,300 members trained for this type of operation but they are not being used. They added: "Instead, the military are given full powers."

The officers admitted that they do not have the means necessary for a far-flung crime-repressive operation but pointed out that if the administration were to provide them with necessary means the problems would be overcome. They emphasized the administration's inconsistency in ordering the police to patrol border areas using their own vehicles and fuel at the very time when the police are asking for more means.

Mid-level officers went on to say that all these developments fuel the policemen's undeclared sit-down strike and encourage the growth of the crime rate. They added

that the police are experiencing several internal problems which do not help this institution comply with its duty to fight crime and preserve public order.

Argentine Minister To Discuss Problems at Congress

PY0210154493 Asuncion HOY in Spanish 30 Sep 93 p 3

[Excerpts] New York—Yesterday, Argentina's Foreign Minister Guido Di Tella agreed to attend a joint session of the Paraguayan Congress to talk about the problems affecting the two countries' relations. Di Tella made this commitment during a meeting with five Paraguayan legislators accompanying President Juan Carlos Wasmosy on his official mission to the United States which ends tomorrow. Thus it will be possible to clear away the Paraguayan people's "prejudices" against Argentina, Di Tella said.

On 28 September, Paraguay's Foreign Minister Diogenes Martinez announced that President Carlos Menem will invite Wasmosy to meet with him. Martinez said that Paraguayan-Argentine relations are not the best at this time, particularly due to the Pilcomayo diversion problem.

AEN [National Encounter Alliance] Deputy Euclides Acevedo said that the Argentine foreign minister will visit our country after 30 October, the deadline for the partial closure of the Pilcomayo River diversion to Argentina. On the occasion, Di Tella will discuss the Pilcomayo River situation and other issues affecting the two countries such as the Parana River islands, the Encarnacion-Posadas bridge, Paraguayan exports, etc.

Participating in the meeting with Di Tella, besides Acevedo, were Senators Rafael Casabianca and Juan Carlos Galaverna and Deputies Atilio Martinez Casado, Nery Gonzalez, and Conrado Pappalardo.

During the Argentine official's visit, he will try to find the paths leading "not only to the solution of conflicts such as the Pilcomayo River diversion and border cases, but also to promote common economic development programs. The Argentine official showed a lot of interest in the Paraguayan people's concerns over these issues and clearly stressed that for Argentina it is more important to maintain good relations with its neighbors than with other countries." [passage omitted]

Asked if it was appropriate to propose an Argentine "compensation" to cover our economic losses incurred as a consequence of the Pilcomayo River diversion, Di Tella said he would not rush to make a proposal in those terms "because if we enter into a policy of take and give we are doomed. Conflicts are not solved that way." Di Tella denied that his country had violated Paraguayan sovereignty. "Sovereignty is not defended with emotional proposals but by formulating development projects and a clear understanding of the problems involved. We politicians are used to formulating these issues superficially. Serious conflicts deserve to be treated seriously. I do not believe in xenophobic nationalisms. [no closing quotation marks as published]

What we told Argentina is: "The Paraguayan people are prejudiced against Argentina. Come and clear away those prejudices by speaking frankly. Explain to the Paraguayan people that Argentina is not interested in a single liter of the Pilcomayo River that does not rightly belong to it. Do not let rumors or gossip hurt our respective nations."

Di Tella said that Argentina is interested in ironing out differences because "Argentina's foreign policy will weaken if it violates, or appears to violate other countries' sovereignties. How can Argentina speak about people's autonomy and the juridical equality of states if it appears to be violating the economic sovereignty of other states? [no closing quotation marks as published]

Peru

Shining Path Temporarily Suspends Actions

PY0110191893 Lima EXPRESO in Spanish 17 Sep 93 p A3

[Text] A Shining Path pamphlet that EXPRESO obtained from Lima shantytowns begins by saying: "One year after the arrest of president Gonzalo, the PCP [Peruvian Communist Party], under the single leadership of president Gonzalo, and subordinated to the thoughts of Gonzalo ...," calls a "temporary suspension of actions."

Self-Criticism

The pamphlet states: "We must engage in strict, deep self-criticism." After some digressions, the pamphlet notes that "the urban patrols and the self-defense committees have provoked a fight among the masses which, instead of conquering the population, has caused political setbacks for us... Actions like those of Tarata [the car bomb that killed and injured many children] and of the [massacre of] Ashaninka Indians are negative and are repudiated. This is strongly reflected by the fact that the masses no longer want to commit themselves, while fear has spread.... Pessimism has prevailed since the boss fell..."

"Those who supported the party 'just in case' have now made a decision and have abandoned it. Summarizing, fear has spread and people are fed up with war."

Call

"Based on all these considerations," the document concludes, "the central committee proposes to the masses and the people in general a temporary suspension of actions." The pamphlet mentions "the will to once again wage the people's war in a very short time."

For the central committee, the suspension will permit "a reorganization of our cadres, a strict analysis of the situation, and intense work with the masses, refocusing our attention on the field."

"Strategist"

The pamphlet refers to Abimael Guzman as "the greatest living Marxist-Leninist-Maoist, political, and military strategist..." The document adds, however, that "we must impartially admit that this fact (his arrest) was a very strong setback, very serious..."

Fujimori Rejects Bid for Peace

PA0110203493 Lima Radio Programas del Peru Network in Spanish 1811 GMT 1 Oct 93

[From the "Newspaper of the Airwaves" newscast]

[Text] President Alberto Fujimori announced at the United Nations that Shining Path leader Abimael Guzman has sent him a letter requesting peace talks. The president said Guzman's request shows he has renounced his former nefarious objectives.

[Begin Fujimori recording] A year ago, Abimael Guzman, already under arrest, made an angry call to his followers, urging them to continue the relentless war against the government and society. Today, making a 180-degree turnaround [words indistinct] as president, renouncing his former nefarious objectives. In essence, he is showing that he is convinced his totalitarian plan has been defeated. In fact, I recently received from Shining Path leader Abimael Guzman, who is in prison, a revealing message in which he advises me of his request, quote, for a peace agreement, end quote. I repeat, Abimael Guzman Reynoso has asked the Peruvian head of state for talks to reach a peace agreement. [end recording]

The Peruvian president said in his speech at the international forum that his government will not hold talks with the Shining Path leader, who is incapable of negotiating.

[Begin Fujimori recording] A peace agreement infers negotiations between two belligerent groups considered equal, not only in strength but in [word indistinct] general. This is not [word indistinct] and also, because there can be no negotiation whatsoever with a terrorist or genocidal group, especially one that has been described as such by the United Nations itself. Its leader, who was arrested a year ago and sentenced to life in prison, does not have any type of capacity for holding negotiations. [end recording]

Armed Forces Commander Reacts

PA0110213893 Lima Radio Programas del Peru Network in Spanish 1800 GMT 1 Oct 93

[Report by Samuel Neira from Arequipa; from the "Newspaper of the Airways" newscast]

[Text] To defeat the Shining Path and the MRTA in our country once and for all, we must not give these subversive groups any respite, said Nicolas De Bari Hermoza Rios, commander of the Armed Forces Joint Command and Army commander general. He was referring to the speech by President Alberto Fujimori at the 48th UN General Assembly in New York. Hermoza Rios also said that the government plans to annihilate the terrorists are being implemented.

[Begin Hermoza Rios recording] The key part of the president's speech dealt with a note that Abimael Guzman, a terrorist serving a life sentence, sent to President Fujimori calling for a peace agreement.

The president naturally said there will be no concessions. He also said that his pacification strategy to definitely defeat terrorist groups in the established deadlines, deadlines promised to the Peruvian people, is being duly carried out. [end recording]

Heremoza Rios also described the demonstrations staged by Shining Path members in New York as a farce. He stressed that the Shining Path lost its objective and political leadership by continuing to carry out more terrorist acts in the capital. Hermoza Rios said that more subversive criminals will continue to fall in the next few days.

He made these statements after top Army and police commands of 5th Security Sub-Zone presented 20 Shining Path members at the garrison of the 12th Police Region. Sixteen of these rebels were captured by the Army and six them by the National Police. [figures as heard] These guerrillas included two women and a 10-year-old boy.

We report that the terrorists were wearing striped jail uniforms. Their arrest is considered one of the harshest blows dealt to these rebellious gangs. The subversives were captured near Puno. They were charged with ambushing Army patrols in nearby towns, cattle rustling, burning of vehicles, conducting agitation and propaganda activities, killing people, and other crimes. FAL rifles, ammunition, dynamite, and subversive propaganda were seized from them. Hermoza Rios attended this presentation.

We also want to inform you that we are here at the Military School in Arequipa where Hermoza Rios is inaugurating several projects.

Presumed Dynamite Attacks Black Out Lima

PA0110140893 Paris AFP in Spanish 0520 GMT 1 Oct 93

[Text] Lima, 30 Sep (AFP)—The capital city of Peru and a large part of the central region of the country was suddenly left without electricity on Thursday as a result of a power outage "presumably provoked by dynamite attacks against the high tension towers," police sources have reported. The outage occurred a few minutes before

2300 (0400 GMT on Friday), and it affected towns as far south as Nazca, 400 km from Lima, and as far north as Huacho, 190 km from Lima, according to the same sources.

This is the second outage that occurred in Lima since 24 September, when the Shining Path blew up seven high tension towers in the central Andean region and in the outskirts of Lima. The outage also affected a part of Huancayo, in the central region of Peru.

According to preliminary reports issued by the police, there have not been any attacks following the outage. Nonetheless, security measures have been strengthened in the strategic areas of Lima, particularly near the presidential palace.

Spokesmen for the state electricity company said that the outage was due to a "violent cut" in service from the Mantaro interconnected system, which supplies electricity to the capital. About 30 minutes before the outage, soldiers who guard the government palace fired shots in the air when they observed the suspicious attitude of a vehicle that was passing by the area. No casualties were reported.

Early Thursday morning, Shining Path members detonated a car bomb in downtown Lima, leaving one person injured, and they also attacked several bank branches. The police believe these attacks are part of a Shining Path campaign against the upcoming referendum to be held on 31 October in Peru to approve or not the new constitution.

Fujimori Presents Guzman Video

PA0410034393 Lima Radio and Television Networks in Spanish 0201 GMT 4 Oct 93

[Address to the nation by President Alberto Fujimori, including videorecording of imprisoned Shining Path leader Abimael Guzman reading text of letter addressed to President Fujimori, in Lima—live or recorded]

[Text] Good evening compatriots. As you all know, I was in New York for a week during which I carried out intensive activities with the main purpose of replying to a question posed by U.S. financial, political, and media circles: What is happening in Peru?

Those of us who live in Peru know that the Shining Path and the Tupac Amaru Revolutionary Movement, MRTA, are no longer a threat to our state and society. In the same manner, we know that despite our limited resources, the country is beginning to move forward, there is greater investment, and there is more tourism. For the first time in Peruvian history, a political constitution will be subject to popular consultation to consolidate all the progress made.

Logically, we must now concentrate our efforts on the peace process, because the success of those efforts will determine the effective implementation of the economic plan and the consolidation of a climate of stability and confidence in the country that will make possible that the interest that already exists among investors will become a reality in the form of capital investments and subsequently in creating new jobs for Peruvians.

Talking about valuable human lives, many people have been killed, and there are orphans, widows, and crippled persons in our coast, mountains, and jungles. Bridges and roads were also destroyed, as well as equipment, machinery, the cattle industry, and the people's patrimony, which had been obtained with great sacrifice by an impoverished country. In view of the passiveness of an inefficient and corrupt state, of the political system that prevailed in the past, many Peruvians had to leave the country. Some of them left because they felt threatened by terrorism, and others because chaos and misery had increased as a result of terrorist actions and misgovernment.

As president of the Republic, I deem it necessary to inform you at this time with some details, the results of systematic contacts with the so-called Shining Path Political Directorate, represented by Abimael Guzman Reynoso and Elena Iparraguirre. Those contacts were made so that both of them would realize the specific strength of the Peruvian State and the real situation of the Shining Path organization. For the first time, that political directorate has tacitly admitted that the Peruvian state has totally recovered the initiative in confronting the Shining Path.

Now, let us watch the video in which Abimael Guzman, in the presence of Elena Iparraguirre, reads the note he addressed to me as president of the Republic.

[Begin Guzman video recording] Mr. Engineer Alberto Fujimori Fujimori, President of the Republic. Mr. President:

We are writing you in your capacity as Peruvian head of state to ask you to hold talks that will prompt a peace agreement the implementation of which will lead to the conclusion of the war the nation has experienced for more than 13 years.

We are taking this very important step based on our ideology and theory of classes, because we are fully convinced of the historic and inevitable need for it, with the clear understanding that this step reflects what has become a need for the people, the nation, and Peruvian society in general.

Mr. President, please pay attention to our request and accept it.

[Signed] Abimael Guzman Reynoso, Elena Iparraguirre Revoredo [end video recording]

[Fujimori] As you can see, the leader of Shining Path is now someone with much better sense than a little more than one year ago. There is evidently more awareness based on the objective analysis of the course of this struggle he has waged. I repeat, it is clear that today the Shining Path members do not have a real ability to

threaten the Peruvian state. Nevertheless, this does not mean that we cannot communicate with them, because there has always been communication. That is why the repentance law has worked, because we have let ourselves be heard as a state and as authority and as such, we have given the opportunity to those who repented and cooperated in the task of pacifying the country.

The destruction and the bloodshed in a fateful cycle of 13 years has to end. We have to begin to build a peaceful and democratic society. In other words, a society without the vices and defects of the corruption, neglect, and violence which we inherited and which were the result of the indifference and irresponsibility of the previous governments.

The government will continue its unyielding policy of pacifying the country and consequently of energetically combating any form of terrorism. If the Shining Path leadership really wants to prevent the continuation of violence, it must propose to its organization the end of all forms of action and struggle it has been carrying out. If this occurs, my government will take the complementary measures that are required to ensure the promptest national pacification. Meanwhile, I again address the youths who have mistakenly identified themselves with Shining Path or the MRTA [Tupac Amaru Revolutionary Movement] to urge them to take a step back and to think things over. Do not ruin your life, that of your families, and that of other Peruvians. Accept the repentance law. The Peruvian state opens the doors for a new opportunity.

I hope the Peruvian people will continue to give me their majority support, a support that is fundamental to continue the policy drawn up to reestablish peace throughout the entire territory of the Republic. In this way, we will guarantee the continuation of the country's march toward progress, counting for this purpose with a constitution that will be the instrument of development and modernization, this time for the benefit of the entire population.

I reiterate to the citizens my firm commitment to continue struggling with the greatest determination for peace, the basis upon which we will obtain authentic progress in our fatherland. Good evening.

Fujimori on Participation at UN Session

PA0310195193 Lima Frecuencia 2 Satelite Television in Spanish 1515 GMT 3 Oct 93

[Interview with President Alberto Fujimori by Reporter Juan Carlos Capcha at the station's studio in Lima from the "Counterpoint" program—live]

[Excerpt] [Passage omitted] [Capcha] Mr. President, your trip included very lively, interesting aspects, such as when you attended the meeting with attorneys [not further identified] in a New York building. There was a group of three or four, I do not know if they were all attorneys, who got up and started to provoke you. What were you thinking at that time? Why did you want those attorneys to remain instead of having security remove them as they began to interrupt?

[Fujimori] When I saw the four at the table sitting next to Carlos Ferreiro, Marta Chavez, and Luis Enrique Tord, I knew what they were up to. They were going to get up, one after the other, and then security would remove them one by one. Just before I started my speech, when the first one stood up and started to shout, I decided to ask security to allow him to stay. I wanted to hold a debate with them right then and there and disarm them, from a verbal point of view.

[Capcha] So you decided to confront them.

[Fujimori] That's right. Once my speech was over, I opened the debate, calling precisely on that Shining Path sympathizer. He asked a series of questions. He was also present during the second opportunity for the public to ask questions. When faced with my answers they felt unarmed, without any arguments. At that time they decided, of their own free will, to withdraw from the room without pressure from security.

[Capcha] Were you pleased by that confrontation? And the...

[Fujimori, interrupting] And the public's reaction...

[Capcha] The subsequent reaction...

[Fujimori] I was pleased with the public's reaction. There was quite a large crowd there; 520 persons. That is the first time so large a public crowd has been in the Waldorf Astoria.

[Capcha] Of course, these are very minor groups, totally insignificant in a country such as the United States. It is also true of the group who awaited your departure from the hotel carrying posters demanding the defense of Abimael Guzman's life.

[Fujimori] Yes, they are a minority, but that does not mean they are not dangerous. At the beginning here in Ayacucho, Abimael Guzman's group was very small.

[Capcha] There they are handing out propaganda [video shows Guzman sympathizers] [words indistinct].

[Fujimori] There are a few of them. At the end they admitted to being active Shining Path members, totally committed. They came out shouting "Long Live'-'...[pauses] rather "Defend." That is the slogan [previous word in English]: "Defend Abimael Guzman's life."

[Capcha] Here is the footage where those attorneys are on the streets carrying posters in support of this genocide, right?

[Fujimori] Yes, and...

[Capcha] There they are, they are even hiding their faces.

[Fujimori] The American public understands perfectly well about this genocidal group's goal. That is why it is so important to present the progress of the peace process at the UN Assembly.

[Capcha] At the same, time there are organizations such as Americas Watch, which recently published a letter demanding that President Clinton, who you met with there, pressure your government to immediately clear up cases like La Cantuta. Were these issues brought up during your very brief meeting with President Clinton?

[Fujimori] I had the opportunity to talk privately with President Clinton on two occasions. Although the encounters were brief, we were able to discuss the main issues. I remarked that there is good knowledge of Peru's situation regarding its political process, security, investment potential, and so forth. The second occasion was at the United Nations building's Indonesian Hall, where there is a 3,000 year old Paracas ceremonial robe that was lent with due authorization for its exhibition. We talked there. President Clinton expressed the U.S. Government's support for the deep reforms we are implementing. He said that he personally is going to support us. Those were his words. I can say this publicly because....

[Capcha, interrupting] Mr. President, how important is President Clinton's meeting with a president of one of the numerous nations participating in the assembly?

[Fujimori] Only five Latin American presidents attended the first meeting for Latin American presidents. Then another was held for presidents and heads of state who were at the United Nations at the time. That meeting was very fruitful and important. I also had a chance to meet with former U.S. President Bush, who told me of his satisfaction at Peru's great progress in the past few months.

[Capcha] The U.S. Senate has a different view of Peru. Do you think that view will change, for instance, on the compensation for the widow of the pilot of the plane shot down in Peru, or on other subjects such as the reduction of support for the counternarcotics effort?

[Fujimori] There are always differences of opinion in the legislative branch. Sometimes the opinions are even diametrically opposed. That is natural because these bodies usually are composed of hundreds of people. There have been some questions about the C-130 plane. Fortunately, Senator Jesse Helms has withdrawn a proposal to amend a law, which will make it possible to support Peru. The government has taken several steps. For instance, we have made a deposit as insurance for the relatives of the C-130 victims.

[Capcha] How much is the deposit?

[Fujimori] I do not have the exact figure, but it is approximately $100,000. Apart from these meetings, we have placed special emphasis on talking with advisers to President Clinton, such as Mr. Feinberg, Mr. Watson, and Mr. De Witt. I think they have a good grasp of Peru's problems. In addition, the circumstances also are favorable for us because there could not be a different policy between Peru and Russia, for instance.

[Capcha] Is there understanding on the drug trafficking issue? Is Peru concerned about the reduction of U.S. aid? What impact has the reduction had on Peru? Do you still feel the policy has failed?

[Fujimori] I have said clearly what everyone admits. There is no need to by shy about saying it in public. But it is not easy to say it in diplomatic terms. The entire international counternarcotics policy is being revised. I think it is important and urgent to do this.

[Capcha] Another aspect of your visit to New York was your meeting with former U.S. Secretary of State Henry Kissinger and a group of leading U.S. businessmen. What was the scope of this meeting, and what perspectives are there now?

[Fujimori] Mr. Kissinger is a very influential person. He has been secretary of state and still influences U.S. policy and finance. These are not my words about the meeting with Mr. Kissinger. Some people who attended the meeting, including the president of your television station, Mr. Baruch, can testify to this. This group of businessmen and delegates of leading media, such as THE NEW YORK TIMES and [words indistinct] have been expecting information. At the end, and this is not easy for the Peruvian president to say, after my speech at the close of the meeting, everyone in attendance began to applaud. Kissinger told me that of the many meetings of this type that he has attended, this was the first one to end in applause.

[Capcha] Then we can expect investments from U.S. firms?

[Fujimori] Peru is becoming one big center of interest in Latin America. There is a lot of interest in its political process. Following an unviable situation in 1990, Peru is becoming a country with huge potential, including investment potential. We are also attracting interest because of the pacification process. One issue that will prevail in some international forums during the next few months and year is that of governability. Current democracy will be questioned. Peru is drawing attention.

I have an anecdote about investment. We had a very high-level meeting with 50 representatives from large U.S. enterprises. We discussed Peru's compliance with contracts and debts. I was speaking in English, and I could not think of the right words to say dead dog [perro muerto—expression meaning to turn a blind eye to something]. I then asked somebody to help me translate that term. No one could find the right words. I had to explain to them that people in the United States do not do that sort of thing.

[Capcha] One last question, Mr. President. It deals with another important aspect of your trip. Are you satisfied

with the media blitz that you have personally directed? What issues concerned U.S. reporters and television networks such as CNN that interviewed you?

[Fujimori] The central points that call attention to Peru are democratization, including governability, the search for efficiency, the deep transformation of Peru's political system, and the struggle against terrorism.

I had the opportunity to meet with the editorial staffs of the most important U.S. media, TIME, NEWSWEEK, THE WALL STREET JOURNAL, FORTUNE, and THE WASHINGTON POST. I also met with Mr. [name indistinct] and with important members of the editorial staff of THE NEW YORK TIMES. While in New York, I spoke with the most important editorial staffs.

It was important to discuss Peru's situation not only with U.S. editorial staffs but also with the U.S. people directly to give them firsthand information. That is why I granted interviews to CNN and NBC and a very important one to (Charles Rolston) in a program with a large audience.

[Capcha] Then we can say that the campaign to change the world's perception of Peru was successful?

[Fujimori] We have made achievements in Peru. Now we must report on the new situation we are enjoying, on the great future we have ahead, and on the consolidation we will secure once the Constitution is reformed after the 31 October referendum.

[Capcha] Thank you, Mr. President, for having been with us. We will be waiting for your 2100 message on the virtual resignation of Abimael Guzman, a message that will include the promised video clips.

[Fujimori] Sure. Thank you.

Special Prosecutor Notes Repentance Law Status

PA0310033293 Madrid EFE in Spanish 0331 GMT 28 Sep 93

[Text] Lima, 27 Sep (EFE)—Daniel Espichan, the special prosecutor for terrorist crimes, announced on Monday that throughout Peru a total of 800 terrorists have surrendered under the Repentance Law. Most of the repentant terrorists, 350 of them, are from terrorist columns that operate in the jungle area of the Huallaga river in northern Lima.

The Repentance Law, which went into effect in May 1992, reduces the sentences of or acquits terrorists who surrender and help the security forces capture subversives, depending on the severity of their crimes. Espichan said that President Fujimori's government, which takes strong action against terrorism, has nevertheless "extended its hand to terrorists who repent, providing security for them and helping them."

Among the repentant terrorists are former members of the Shining Path and Tupac Amaru Revolutionary Movement (MRTA). Since September 1992, following the capture of Abimael Guzman, the top leader of the Maoist Shining Path, the Peruvian security forces have captured over 2,000 terrorists including top and mid-level commanders and rank and file activists. Over 200 of the detainees have been sentenced to life in prison, among them Guzman and MRTA leader Victor Polay, who are serving their sentences at a jail that is considered "impenetrable," and which is located at a naval base in the Lima port of El Callao.

President Fujimori has reiterated on several occasions that he will defeat the MRTA this year and Shining Path before ending his presidential term in July 1995.

Paper Notes Redistribution of Troops

PY0210200093 Lima EL PERUANO in Spanish 20 Sep 93 pp A6, A7

[Text] Recent remarks by President Alberto Fujimori in which he said that some of the troops stationed on the border areas had been deployed to other parts of the country where they are more necessary have caused alarm and raised protests. These sententious observers predict the immediate reaction of the "potential enemy" in view of the lowering of the guard. According to them, the phantom of war haunts us.

In these people's opinion, nothing seems to have changed during the past three decades. They belong to a generation that grew up with the idea of war in their heads. The idea that Peru is a defenseless prey coveted by neighbors with sharp claws ready to strike a blow belongs to this generation. Unfortunately the concrete and punctual conflicts we may have experienced at some time have been, thanks to them, extended forever in a collective delirium that has granted them a protagonistic role that is not befitting with history.

In order to fully tackle the subject, it should be pointed out that in the 1930's and 1940's it became obvious that troops needed to be deployed to other parts of the country due to the imminent eruption of coupist movements and, on more than one occasion, separatists.

Later on, during the military government, the Armed Forces underwent a comprehensive modernization process that entailed important changes in their internal structure and their modus operandi. It was customary, for example, that the troops stationed on the border areas rotate continuously because it was believed that such a close and continuous coexistence with the enemy could affect the national security. According to the new regulations, the borders were guarded, preferably, by soldiers of the region because they already knew the region, were accustomed to the food, climate, and even the diseases. Moreover, safety on the border areas was tightened during these period. There were justified reasons for this. What we could call our armed race was unleashed. Although many believed that the acquisition of weapons was exaggerated, it should be recalled that the rival that had to be defeated at that time was Chile.

Peru's war power was one third weaker than Chile's (although we were unable to reverse this situation we at least managed to get even with Chile's war power). Until then the most numerous garrisons were stationed in Lima and, also until then the Armed Forces had two main missions to fulfill: guard the border areas and intervene (in favor or against) in the case of a coup d'etat.

In the early 1980's, with the brutal incursion of terrorism in our lives, the National Police, the only ones in charge of safeguarding peace and internal security, revealed their precarious situation and their incapability to efficiently respond to the terrorist attacks. There was an urgent need to resort to the Army. However, a lot of hesitation and doubts postponed the decision. Finally, the Armed Forces took up safeguarding internal safety as another of their duties. A lot of time, almost too much time, had elapsed.

And, while in the border areas the soldiers got ready to confront an enemy that did not exist for the time being, in Peruvian territory a bloody and implacable war killed thousands of people.

On one hand, international relations at a worldwide level were experiencing great changes. Our much praised modernity labelled the war "costly." Unlike the past, the modern times imposed the practice of an intense political and commercial exchange between nations. The idea now is to tighten and improve bilateral relations to a point that a war become unthinkable, crazy, and outrageous. The borders are no longer walls that divide, but rather links that unite.

Aware of this situation, the current Peruvian Government implemented a detente and rapprochement policy with the neighboring countries. An example of this is the attitude it has had with Bolivia and the recent agreement to be ratified with Chile.

In view of our new relationship with the neighboring countries, there was no reason to maintain a massive number of soldiers on the borders. Therefore, it was decided to deploy some of the troops to other areas of the country where their support, skill, and courage were more necessary. Thus, about a year ago, the 18th division of the north was transferred to the Lima hills (Cajatambo and Yauyos) plagued by terrorists. As a result the zone is about to become an important and peaceful tourist resort. The same happened to other border troops. Two things must be pointed out: in the first place no international agreement is the result of the mere will of the individuals who sign it (that is, foreign ministers, presidents) but the result of a series of favorable circumstances and, in the second place, that this military "deployment" from the borders was not the objective of the negotiations, quite the contrary, it was the result of them.

Moveover, there is no reason to feel unprotected: the entire garrison of each border comprises an average of five divisions, of which one or two at the most, would be deployed to other regions. Therefore, the border region is not left unprotected. All that is being done is to rationalize the human resources according to the country's needs. Moreover, the weapons will remain in the border area because the type of weapons that are used for an international war would be of very little use in a war like ours. We are talking about remote control missiles or supersonic aircraft to combat a group of people who have lost their objective and are about to be dismantled. What is probably necessary to fight these people are infantry (soldiers with rifles), cavalry, engineering, and intelligence.

The is no room in the Peru of today for the remains of this "patrioteer" generation that surfaced from the threat of other countries. Their objections would hardly be valid in a realistic analysis. Currently, for example, it is quite a problem to handle our entire territory. We have vast, almost unpopulated regions that do not produce even a tenth of what they could produce. The same goes for other Latin American countries, the "territorial greed" belongs to the past because what is currently sought is quality rather than quantity. Before engaging in tortuous wars, everybody should carefully think it over. For everyone's peace of mind, the current physical situation of our borders, according to reliable sources, is as follows:

There are no problems on the Colombian border because this region is almost uninhabited. There are some problems on the Brazilian border regarding the preservation of landmarks due to the difficulty of reaching them constantly. This is a good moment to rule out the strange idea that the Brazilian "bandeirantes" [groups of colonizers who conquered large territories] would take advantage of any occasion to settle in Peruvian territory. The situation is quite the opposite because what the inhabitants of these areas seek are the low parts of the rivers for fishing, and these are in Brazilian territory. The problem on the Bolivian border is also a maintenance problem (for both countries) because one area is accessible but the other is not.

The border line with Chile is perfect. What this means is that it is perfectly demarcated and preserved. There are no great problems in preserving the landmarks and renewing them permanently.

As for the border with Ecuador, the problem is not so much of a political but rather a geographical nature. Our border was established following the course of the rivers of the area, but it was done in 1942. The course of these rivers changes every year and this is where the conflicts arise. But the problem is not because of neglect by the two countries, it is because the inhabitants do not understand this concept and believe that the border line is the current course of the rivers. Since it is very expensive the preserve the original course of the rivers, a new method to mark the borderline will be adopted shortly. This new method will prevent the borderline from being altered if the rivers' course flows either toward Ecuador or Peru.

Minister Briones on Antinarcotics Struggle

PY0110231593 Lima EXPRESO in Spanish 19 Sep 93 p A4

[Interview with Interior Minister Juan Briones Davila by Victors Andres Ponce—place and date not given]

[Excerpt] [Ponce] The president has said that the police have been deployed in an area stretching from the Upper Huallaga region (Santa Lucia) to the central jungle and south in an effort to combat the new drug trafficking centers. Please tell us how many policemen were sent and where?

[Briones] Over the past few months, as result of the efficiency of the forces of order, drug traffickers have moved to the central jungle and southern Peru which is why the actions of the forces of order have had to be reconsidered. The action of the Dirandro [Antidrug Division] had to be prioritized. We cannot give details of deployments and sites for security reasons.

[Ponce] This means that the Dirandro will be reinforced. How?

[Briones] Trafficking is the second scourge that affects the country. There are plans to increase the budget of the Dirandro to improve intelligence organization and provide more logistic support. It is not a matter of reorganizing, rather of increasing its scope according to the needs and recommendations of our intelligence. For example, some of the Santa Lucia base personnel, where there are new policemen, are being relocated in the appropriate zones where they can act against the so-called "firm."

[Ponce] You have said that the flow of chemicals for the production of cocaine base paste will be controlled. What chemicals, and how will you control them?

[Briones] The Sunad [National Customs Administration Superintendency] and the Industry Ministry are carrying out coordinated actions. These two institutions drew up the laws to control 13 products and chemicals, among them sulphuric acid, hydrochloric acid, potassium permanganate, kerosene, etc. This control will allow us to monitor national production and imports and prevent them from being used to manufacture drugs.

[Ponce] Do you have something else in mind over alternative development?

[Briones] The "Fujimori doctrine" is based on this proposal. The objective is to replace coca plantations with other crops. International cooperation is helping to implement agroindustrial development projects in the coca growing areas. Moreover, the Upper Huallaga Development Program (PEAH) coca plantations and the Upper Huallaga Coca Control and Reduction Agency (Corah) are being implemented.

[Ponce] Why is there no centralized government authority to coordinate and conduct the anti-drugs policy and to draw up the alternative development program?

[Briones] That is a very important question. The drug problem requires the participation of all sectors and the entire citizenry. It would be convenient to have a central organization to coordinate the different aspects of this phenomenon and at the same time be a valid interlocutor to promote international cooperation.

A multi-sectoral commission, at the highest level, has been named to draft the new antinarcotic law that will consolidate all the current laws and design a system to allow us act more efficiently in eradicating this scourge. [passage omitted]

Air Force Continues Activities

PY0110193693 Lima EL COMERCIO in Spanish 20 Sep 93 p A7

[Text] Using its own resources and placing at risk the training program of pilots as well as the operational capability of its aircraft, the Peruvian Air Force, FAP, has faced alone the drug enforcement struggle in the Upper Huallaga Valley since the second quarter of last year. According to a report obtained by EL COMERCIO, the use of its best human resources and training aircraft in the coca zone has affected the training of future FAP pilots, while its aircraft are wearing out fast.

It is known that on 9 April 1992, through Decree Law No. 25426, the FAP was ordered to control air traffic, airports, and landing strips in the Upper Huallaga Valley where small drug trafficking planes permanently operate.

Following the political events of 5 April 1992, together with the questioning of the lack of respect for human rights, the U.S. Government reduced its economic support for the antinarcotics struggle to a minimum. This forced the FAP, by presidential order, to assume with its own economic resources a direct struggle against drug trafficking in the Upper Huallaga Valley.

The report states that the number of flight hours of the FAP planes in compliance with this task "is causing them to wear out. This, together with the lack of logistic support, has increased the inoperability of the planes and helicopters that support the antinarcotics operations." The report states: "The FAP has registered 4362 flight hours in different kinds of aircraft since it joined the drug enforcement operations." This does not include the flight hours of aircraft used to transport personnel for logistic support. The FAP uses T-27 Tucano training planes, as well as MI-17, MI-8T, and eventually MI-25 helicopters. On some occasions it has also used training and combat A-37 fighter bombers.

Sources consulted by this newspaper have said that the deployment of pilots to the Upper Huallaga Valley, especially those from the final courses of the FAP Officer Training School, has affected the training of FAP cadets.

Planes that should be exclusively used to train future pilots are now used to intercept drug trafficking planes. The FAP planes are wearing out and there is little economic support for their maintenance. Combat helicopters are suffering the same fate.

Statistics reveal that, between May 1992 and June 1993, the FAP encountered 64 planes: including interceptions, downings, and arrests during its Air Space Surveillance and Control Operation. One officer said that results could have been better had the FAP received the support of latest generation radar, as he recalled that in May 1992 the United States removed the radar from Iquitos and Andoas and canceled the USAF E-3 Awacs and P-3 Orion flights. The FAP planes were thus forced to undertake "nearly blind" flights seeking the Colombian traffickers' planes that are flown by shrewd pilots who know how to evade controls.

Combined operations with the US Government were resumed in January 1993 with the installation of an old radar in Yurimaguas. At the same time, the Awacs and Orions resumed flights, although recent media reports indicate that the United States will withdraw its support from the antinarcotics struggle.

So far, the FAP has seized 12 airports in Huallaga Valley; in Tarapoto, Yurimaguas, Uchiza, Toca.he, Santa Lucia, Pucallpa, San Ramon, Tingo Maria, Juanjui, Bellavista, Saposoa, and Sion. The FAP controls air traffic, flight operations, and flight permits. It verifies documents and controls passengers, cargo, routes, and everything related with legal routine flights as well as the illegal ones detected by the personnel and instruments of the VI Territorial Air Region.

U.S. Policy 'Cause for Concern'

PY0110203893 Lima EL COMERCIO in Spanish 19 Sep 93 p A2

[Editorial: "Problems in the Battle Against Drugs"]

[Text] News originating in Washington indicates that the U.S. Government will possibly be introducing changes in its policy for fighting drug trafficking, which could have serious and negative repercussions in our country. As part of a plan to evaluate the war against drugs, the Pentagon has begun reviewing the cocaine interdiction program to evaluate its efficiency.

It is also known that a confidential report issued by the National Security Council, which was divulged by THE WASHINGTON POST, recommends changes in the policy of destroying South American production centers and in the fight against drug trafficking operations. The proposal is considered a preliminary recommendation and a decision has yet to be made, according to the Pentagon spokesman.

On the other hand, through an agreement that has already been reached, the U.S. Congress has introduced important cuts in its foreign aid to Latin American countries, Peru, Bolivia, and Guatemala, that produce the greatest amount of the drugs. A special Senate committee eliminated the allocation of $47 million to the State Department to finance joint antinarcotics operations in these three countries.

Both pieces of news are not surprising given the fact that ever since the new administration took over power, at the beginning of the year, it was known that the U.S. president favored a change of direction in the fight against narcotics, giving priority to prosecuting internal consumption, while reducing actions elsewhere. It was also knon that the Democratic majority in the U.S. Congress places a lot of emphasis on respect for human rights, which is usually a condition for any type of foreign aid. In this respect, regrettably, Peru has not been able to erase a somewhat unfavorable impression.

Other details seemingly connected with the new U.S. position contribute to an even bleaker outlook. A case in point, for example, is the withdrawal of a group of DEA agents, with their personal weapons, from the Santa Lucia base in Upper Huallaga. These DEA agents have been cooperating with the National Police in the fight against drug trafficking for the past three years. Important elements of their equipment will stay in the country, however, particularly 10 special helicopters prepared for specific antinarcotics operations, which are indispensable and very difficult to replace.

The new positions adopted by the U.S. executive and legislative branches were expected, but their confirmation is cause for deep concern, as they mean an important reduction in the means to fight the scourge constantly afflicting us, and which clearly controls very powerful means.

President Alberto Fujimori, who sponsored the policy to replace coca plantations, has said, however, that Peru will continue its antinarcotics campaign despite the cuts, and will not neglect drug enforcement operations. Fujimori has also expressed hope that the United States will soon reconsider its position with respect to the fight on drugs.

The Peruvian position is more equitable, without a doubt, because it attacks the root of the problem while contemplating a just treatment for the peasant producer, who is not a criminal, as some people think, but a victim of circumstances, and quite often of drug traffickers as well.

Besides, and we have said this repeatedly, the fight against these criminals cannot be faced in an isolated manner. The issue is quite complex, and must be confronted with joint international actions, as it requires resources that poor countries with weak economies, such as our country, are absolutely incapable of producing.

Policy 'Contradicts' Principle

PY0110211793 Lima EL COMERCIO in Spanish 19 Sep 93 p A4

[Article from the "Without Confirmation" column by Alfonso Baella]

[Text] The decision by the Bill Clinton administration to suggest a new strategy in the struggle against drugs, beginning with putting a freeze on important economic resources for the interdiction of illegal drug trafficking, implies a contradiction of what was believed to have been an accepted principle. That is, that the countries that produce and consume coca are responsible for the prompt repression of illegal activities related to coca and its byproducts.

Lee P. Brown, director of the U.S. Office of National Drug Control Policy, was in Lima one month ago. In his first comments, he asserted that his country would continue working with countries that have shown the effective political will to battle drugs. Regarding Peru, Brown did not spare words.

To start with, he confessed being "impressed" by the actions ordered by the Alberto Fujimori administration, especially those giving impulse to alternative development in the "green leaf" producing zones. But one month after such promising comments, an announcement was made that the U.S. Government is cutting its aid.

It was precisely at the San Antonio, Texas, presidential meeting held last year that the principle of shared responsibility for the eradication of coca was established between the main coca consuming country in the world and the producing countries. But the U.S. Congress did not seem "in tune" with this decision, making significant cuts in aid to the Andean countries, which is where the greatest amount of drugs is produced. A Senate committee ordered a few days ago a cut of $47 million from State Department funds to finance joint antidrug operations in Peru, Bolivia, and Guatemala.

On the domestic scene, President Alberto Fujimori has insisted on the Peruvian Government position defending alternative development with the participation of peasants. Fujimori said: "I trust that in the near future there will be a precise, concrete, and truly global strategy, including the participation of the entire international community. It is a world war. It is not a war by Peru, or by the Andean countries, but by the entire world" said Fujimori, in reponse to the U.S. Senate decision.

Editorial on Suspension of Aid

PY0210000693 Lima LA REPUBLICA in Spanish 20 Sep 93 p 18

[Editorial: "The End of a Cycle"]

[Excerpts] The dissemination of a confidential report of the U.S. National Security Council by the WASHINGTON POST has confirmed what was already known: That the prevailing attitude of the Bill Clinton Democratic administration is to reverse the drug interdiction policy followed for decades by the United States in the Andean countries (Colombia, Peru, and Bolivia). [passage omitted]

The DEA withdrawal from Peru represents the death sentence for the antinarcotics agreement that was patiently sponsored by the ILD [Freedom and Democracy Institute] and signed by Presidents Alberto Fujimori and George Bush. It is clear that the economic assistance requested from the United States for the Upper Huallaga Valley to replace the coca crops with alternative crops will not take place.

At the very most, and probably not for long, the superpower is willing to cooperate with the Peruvian Government in interdiction activities that do not represent a major military commitment, but the withdrawal of the DEA from Huallaga makes this purely academic. We need to interpret the change in the U.S. strategy as giving up the fight against trafficking at the level of cultivation and production. We will be left, along with Colombia and Bolivia, facing a monster that, to date, we have not been able to control at all, and which increasingly extends its tentacles of corruption, frequently in association with terrorism, in coca producing zones.

Until now the official Peruvian policy has been to admit the reality of coca, stressing our will to eradicate the coca crops and to harshly punish traffickers, without forgetting to stress that we do not consider the coca peasants who cultivate this bush to be criminals because they lack alternative subsistence products. This is understood by the international community which has listened to the Peruvian petition to promote alternative development, given that we lack the means to help the 200,000 families that depend on coca cultivation.

President Fujimori has said that Peru will continue alone with the two aspects of its strategy: The development of alternative crops and the repression of traffickers, laboratories, and clandestine flights. But one must ask if this statement is nothing more than just an expression of goodwill.

The approximately 150,000 hectares of coca crops in Peru will continue to exist as long as there is a demand and the peasants are unable to plant something else without starving. There are no funds to change the situation and the Peruvian Government has not presented any project to the international community to finance alternative crops. The most advanced alternative development project is that of Aguaytia where with $50 million from the EEC, engineer Eduardo Watson says that 16,000 hectares of coca crops can be eradicated. The Peruvian Government has yet not decided if it will disburse the matching funds, amounting to 20 percent or $9 million to be invested over four years.

If the political will does not become a reality, the international community may think we are simply making vague promises to encourage alternative crops, perhaps because our economy cannot survive without the $800 million that enter the country through the Huallaga region.

As for repressive actions, Peru obviously must reach agreement with the United States because irrespective of what it accomplishes alone, it will never be enough. The progress achieved by the Peruvian Air Force in intercepting small planes and destroying laboratories cannot be ignored, but it is minute compared with the overall problem which involves corruption networks that guarantee the impunity of the big fish. Our investigative unit has published the names, aliases, and economic potential of those who head the 50 main drug trafficking "firms" that operate in the jungle. Not one of them has been arrested and detained Colombians are freed every day.

It is being said that the cocaine cycle will end in five years because it is being replaced by heroin which is produced from poppy seeds. Even though some coca farmers could "convert" to this new business, it is obvious that the country cannot wait. Peru must demonstrate on both fronts, alternative crops and the repression of trafficking, to the international community its will to combat this scourge, being aware that by doing so we are defending our own survival as a society.

When U.S. economic assistance ends, we must seek other sources of funding, mainly European, and we must do it now. Ending the image of passivity that we have demonstrated in this field will help attract substitute aid. On this issue, as on so many, the Fujimori regime is completely split between what it says and what it does.

Alternate Development Programs Require $1 Billion

PY0210012193 Lima EXPRESO in Spanish 17 Sep 93 p A4

[Text] Conrado Surber Devoto, member of the Peruvian Government Multisectorial Commission, who is in charge of preparing the coca eradication plan, said yesterday that Peru requires investments of greater than $1 billion to implement, over a period of six or seven years, an ambitious master plan to promote the alternative development and eradication of coca plantations.

Investments in programs of this type over the past 11 years have totaled some $70 million, "a figure which is insufficient in facing the set of problems created by drug trafficking, which annually moves some $800 million throughout the world," he said.

Surber Devoto said that the preparation of the so-called master plan is in the hands of an intersectorial commission, consisting of the Foreign Affairs, Presidency, and Interior Ministries, among others, which has been working for several months in an effort to submit the plan to the UN Program for the Control of Unlawful Drugs.

Surber Devoto added, within the framework of his participation in the Inter-American Alternative Development Meeting being held in Lima, that a proposal submitted by the Peruvian Government seeks to promote alternative development through the conversion of its debt to the Paris Club. It is appropriate to point out that this proposal had already been made before.

Concerning this project, he said that one of his first objectives is to promote the replacement of coca plantations through a new strategy, which will contemplate the social and economic development of the peasants, "because to the extent that these peasants have an income, and dignified work with legal crops, they will avoid coca plantations, thus reducing the supply levels." This plan provides for the implementation of modular agro-industrial projects over land areas of 500 and 1000 hectares, with an investment not higher than $2 million in any two-year period.

Initially, only four projects of this type will function in zones considered critical for drug trafficking, such as Huallaga, Cusco, the central jungle area, and Apurimac-Ene. These investments will reportedly gradually increase until the year 2000, when some 500 projects will have been established throughout the jungle area, benefitting some 200,000 peasants and covering some 250,000 hectares.

"Total investments over the six or seven years will fluctuate between $800 million and $1 billion. By the end of this period the problem will have been resolved, the problem of giving work to farmers, and large numbers of peasants will have abandoned the illegal plantations," he said.

Surber Devoto said that this investment is not very great taking into account the fact that the general national budget for next year also includes a figure similar to that earmarked for service and interest payments on the foreign debt. He added that in any case, considering the economic situation in the country, the master plan contemplates the possibility of resorting to foreign financing, which later could be replaced by private investment. He explained that to date it is not yet possible to resort to private businessmen, because they are not fully convinced of the feasibility of alternative development.

$50 Million Credit Agreement Signed With Japan

PA0210033093 Lima Global de Television Network in Spanish 0100 GMT 30 Sep 93

[From the "Direct Line" newscast]

[Text] In New York Jorge Camet, minister of economy and finance, has announced the signing of an agreement with the Import-Export Bank of Japan whereby Peru is

granted a $50-million medium-term credit for the importation of capital goods. The minister termed the agreement very important [one-second break in reception] 11 years Peru receives once more medium-term commercial credit.

BCR President on Inflation, Exchange Rates

PY0210024493 Lima LA REPUBLICA in Spanish 17 Sep 93 p 2

[Text] Yesterday, Central Reserve Bank [BCR] President German Suarez Chavez confirmed that the 1994 inflation rate will not exceed 25 percent, as announced by Economy and Finance Minister Jorge Camet, and added that it will in fact be closer to 20 percent. Suarez also noted that the price of the dollar will not exceed 2.5 new soles, which is much lower than the level of 2.73 announced by the economy minister at the CCD [Democratic Constituent Congress] Budget Committee.

Suarez said that the average annual U.S. dollar exchange rate will not exceed 2 new soles this year. The present exchange rate varies around 2.07 new soles, but was lower at the beginning of the year. Suarez said that the Central Reserve Bank's basic function is to preserve monetary stability.

At this time, we have a 2.3 percent inflation rate per month. If we take the average of the past quarter as a basis, we now have a 30 percent annual inflation rate. If the trend continues, we will have a 20 percent inflation rate next year, Suarez said.

The bank president said the government had implemented an austere fiscal policy during the past few years, adding that the Central Bank has not granted credits to the government, and that expenditures must be financed by tax collections.

Regarding the availability of dollars on the black market, Suarez said: "Undoubtedly this flow of dollars comes from drug trafficking. We had the same problem in past years. This flow increases the supply of dollars and makes a real exchange rate increase more difficult."

Asked if it would be possible to accept the Banks Association's request that the required deposit rate be lowered by 50 percent (banks require cash deposits in BCR accounts) to reduce interest rates, Suarez said that a way to increase liquidity will be sought at the macroeconomic level and at a rate consistent with the inflation rate, adding that Banks Association's request will be denied.

Asked about the figures offered by Minister Camet, which are different from those he offered, Suarez explained that perhaps the minister based his report on May's inflation rate, which was greater than the present rate. Regarding growth and the GDP, Suarez said that the 1993 GDP could be estimated to grow at a rate of 5.2 percent.

The bank president said the growth will be based on anchovy fishing, iron production, and manufactured products. Suarez said that mining industry prospects are also bright, particularly considering mineral price increases on the international market.

During his brief testimony before the Budget Commission, which is currently presided over by Congressman Gamaniel Barreto, Suarez said that the balance of trade will register a total of $3.4 billion in exports this year, thanks to iron and fishmeal exports. Suarez also said that Peru will have a $500 million balance of trade deficit, which means that our imports will reach $3.9 billion. Suarez said that next year's ezport balance will amount to $3.59 billion thanks to an increase in the international price of minerals. Suarez also said that traditional exports will increase by 5 percent. If this is the case, traditional exports will yield $1.153 billion next year.

Santiago Fujimori Relieved From Treasurer Post

PY0110131793 Lima LA REPUBLICA in Spanish 20 Sep 93 p 4

[Excerpt] The government has changed its initial decision concerning the designation of Santiago Fujimori, the president's brother, as treasurer of the campaign for the yes vote, and has instead designated congressman Oswaldo Sandoval, who sponsored the privatization of Enatruperu [National Urban Transportation Enterprise of Peru].

The change was agreed upon at a meeting of congressmen and government officials held on Saturday at the Huampani Vacation Center, in the presence of President Alberto Fujimori.

Sandoval immediately announced the opening of a current account at the Credit Bank "so that government supporters may deposit their contributions regardless of how small they might be." [passage omitted]

Uruguay

Socialist Presidential Hopeful To Visit U.S.

PY0210175393 Montevideo BRECHA in Spanish 24 Sep 93 p 5

[Excerpts] Twenty years after Salvador Allende's ouster from Chile, U.S. authorities asked themselves whether a Socialist candidate could become the president of Uruguay. The answer was affirmative. As a result, a year before the elections that will answer this question, those who are drafting the strategies and programming the positions to be adopted at the Pentagon and the Department of State want to learn directly from the source the thoughts of the personality who is becoming a firm presidential candidate for the Broad Front [FA].

The U.S. Government's decision to invite Montevideo Mayor Tabare Vazquez to pay an official visit to the

United States shows they are more interested in establishing closer relations with him than in testing him. [passage omitted]

The U.S. officials have stated their concerns and openly asked for the Socialist presidential candidate's opinion on three topics: capital investment, integration processes, and privatizations. In an interview with the newspaper LA JUVENTUD, Vazquez deemed the exchange of opinions " very positive." He explained the FA position regarding each of the topics and said that his opinions were listened to "with great attention because in the United States they know that the FA may actually become the main force in the national scenario. They see the FA as a real government option."

The significance of this direct dialogue in the United States is obvious from the positive reactions to the mayor's position, which he summarized in his lecture at Columbia University (New York) on Monday, 20 September. Vazquez criticized the neo-liberal economic proposal, "which has failed to find answers to the problems created mainly by itself." He defended the Socialist values despite the crisis of the so-called real socialism. He said: "We must implement a project that recreates utopia and rescues the ethical bases of the ideology. I personally believe that this project is still called Socialism, a neatly democratic Socialism." He classified his municipal administration as "the first progressive administration," and added that it shows that "ethics and government can be compatible."

Vazquez did not decline to comment on any topic neither did he avoid expressing his opinion to Deputy Robert Torricelli. He did not meet Torricelli, but wrote a letter to him pointing out his profound disagreement with the terms of the Torricelli Law which intensified economic blockade and aggression against Cuba. [passage omitted]

Venezuela

Interior Minister: Destabilization Plan, Candidates

PA3009175693 Caracas Radio Caracas Television Network in Spanish 0200 GMT 30 Sep 93

[From "The Observer" newscast]

[Text] Interior Minister Carlos Delgado Chapellin confirmed that his ministry had deactivated a destabilization plan scheduled for today throughout the country. According to Delgado, the plan's objective was to encourage a social explosion that would prompt the Armed Forces into taking control of the country. In light of this situation, the interior minister called on all presidential and legislative candidates to present concrete proposals to solve the country's problems:

[Begin Delgado recording] The election debate must be geared toward offering solutions to the country's problems. We have reached a stage of political development where the average Venezuelan citizen demands that any person who seeks a vote must specifically say how they are going to solve issues such as inflation, the rising cost of living, education, and individual security. The candidates must not present their solutions with beautiful words; they must be specific. I believe the election campaign must be a positive process where solutions must be provided. In addition, priorities must be set in such a way as to really solve the problems plaguing this country. [end recording]

On the other hand, the Interior Ministry proceeded to deny statements by Interior Ministry Carlos Delgado Chapellin by issuing a simple communique. The text reads as follows:

The Interior Ministry Information Directorate hereby announces that statements attributed to Interior Minister Carlos Delgado Chapellin with respect to a coup attempt having been uncovered are false, end quote. [no opening quotation as heard].

Defense Minister Responds

PA3009181493 Caracas Radio Caracas Television Network 0200 GMT 30 Sep 93

[From "The Observer" newscast]

[Text] Defense Minister Rear Admiral Radames Munoz Leon was surprised by Interior Minister Carlos Delgado Chapellin's remarks, made at Miraflores Palace.

[Begin Munoz recording] I was out on a tour in the interior of the country, in the Aragua garrisons and Valencia to be specific. I did not hear the news nor do I know what the interior minister really meant.

We are taking security and preventive measures based on rumors, not based on specific plans. For some time now, we have been trying to find the source of those rumors. When we find it we will report it to you. [end recording]

The defense minister also explained a raid was conducted against the Yare Jail, where the chieftains of the 4 February coup attempt are housed.

[Begin Munoz recording] We found a large quantity of telephone or communications equipment but no weapons. [end recording]

Defense Minister: Coup, Elections

PA0110020193 Caracas Venezolana de Television Network in Spanish 2350 GMT 30 Sep 93

[From the "The News" newscast]

[Text] Defense Minister Radames Munoz Leon confirmed again that no coup has been planned in the country and that Interior Affairs Minister Carlos Delgado Chapellin said no such thing.

Shortly before the beginning of the Council of Ministers meeting, the defense minister said the intelligence organizations are already close to the source of the wave of rumors that continue to cause unrest in the nation. He also said that various garrisons have responded to the rumors by taking precautions.

[Begin Munoz recording] There are anarchist groups that do not want the country to have calm elections. The Armed Forces are determined to fight that kind of situation and will do everything possible, everything in their power, which is a lot, so the country can vote on 5 December in a calm atmosphere. [end recording]

Vice Admiral Radames Munoz Leon also reported today that he will present the president with the reasons why the Superior Council of the Armed Forces are against discharging Commander [Lieutenant Colonel Francisco Jose] Arias Cardenas, as they consider it is inadmissible.

Velasquez: 'No Threat' to Order

PA0110164093 Caracas Radio Caracas Television Network in Spanish 0200 GMT 1 Oct 93

[Report from "The Observer" newscast]

[Text] President Ramon Jose Velasquez stated this evening that there is calm in the country and guaranteed the 5 December elections.

[Begin Velasquez recording] I believe I have one of the most accurate, if not the most accurate, datum in the country. It is my duty to be informed.

There is no threat to institutional order. Of course, just like in any democratic country, there are protests and discussions, and charges are made. That is what characterizes, however, life in a modern nation that is full of conflicts. I can guarantee that we are on a good path to the 5 December elections. [end recording]

Delgado: Subversive Plan Untrue

PA0110173593 Caracas Radio Caracas Television Network in Spanish 0200 GMT 1 Oct 93

[Report on news conference with Interior Minister Carlos Delgado by unidentified reporters; date and place not given; from "The Observer" newscast—recorded]

[Text] The government has absolute control over public order throughout the national territory, Interior Minister Carlos Delgado Chapellin has said in reference to confusing statements he made on 29 September at Miraflores Palace:

[Begin recording] [Delgado] Anyone who is trying to or will try to conspire to destabilize this state's institutions will simply not be able to do so, because he is facing a coherent state, an efficient police, and an Armed Forces that are absolutely loyal to the state of law. Thus, the statements that were made yesterday to the media, which harmed Venezuela abroad, and this is why it was irresponsible to publicize them in such a scandalous manner, have no reason to be and are also untrue.

[Reporter] You are saying, as is usually claimed, that the media are to blame?

[Delgado] The media are not to blame. I am not saying the media are to blame. I am saying that it is indeed to blame when the news is distorted.

[Reporter] [Words indistinct].

[Delgado] I am referring to the journalist to whom I made no statement but invented it. [end recording]

Deployments 'Preventive Measure'

PA0110184193 Caracas EL NACIONAL in Spanish 1 Oct 93 pD-6

[Report by Rosita Caldera and Rafael Nunez]

[Text] A deployment of soldiers and civilian intelligence officials was observed last night as a preventive measure in view of the insistent rumors of a coup. During a visit to several areas of the metropolitan zone, there was a noticeable deployment of soldiers carrying long-barreled weapons. A National Guard [GN] armored personnel carrier was parked outside Tiuna Fort, in Los Proceres. In addition, there was a flurry of activity at the Francisco Miranda Air Base, in La Cariota, although difficulty in reaching the area made it impossible to obtain precise information.

The security measures were particularly reinforced around the installations of Venezolana de Television, Channel 8, and the GN's presence was increased in the area inside and around the main studios located in Los Ruices Avenue, in the metropolitan zone's northern sector. Residents of Caracas' eastern area were surprised by the military deployment at the television station and the presence of soldiers in every building near the television studio. Standard security measures were adopted, was all the GN personnel said when asked about the reason for the deployment. We were able to see the guards around Channel 8. They covered the nearest residential buildings, such as the Enrrial, Dakdouk, Crimea, Baldavir, and San Remo. Two GN agents were placed outside each of these buildings. Identical measures were employed in other television channels since the early hours of the afternoon.

A large military deployment accompanied Vice Admiral Radames Munoz Leon, defense minister, at Corporacion Television, where he was going to participate in an interview program. Caracas Battalion soldiers, who were brought on buses, occupied the television station's entrance, halls, and main offices, as well as the top floors and roofs of Chaguaramos Mall, where the television station is located. Once Munoz left, the number of soldiers was reduced, leaving only those guarding the

parking lot at Channel 10's main offices and one in charge of patrolling the apartment buildings, we were told.

At Radio Caracas Television (Channel 2), GN soldiers were seen in the Los Cortijos de Lourdes building, because the old offices in Barcenas a Rio did not have that special patrol service. The same situation was observed in Las Colinas de los Caobos, Venevision's main offices. It was also reported that patrolling was reinforced at water service buildings all over the country, the Tacoa plant, and national airports. No special security measures were required at the Simon Bolivar International Airport, because it has its own surveillance and security system in all of its installations.

Security at Miraflores Palace was reinforced with the presence of personnel carriers that were brought in from Tiuna Fort. Military deployment was also seen at the 23 January neighborhood to prevent disturbances.

Officers Said Arrested

PA0110191893 Madrid EFE in Spanish 1715 GMT 1 Oct 93

[Report by Marcel Roo]

[Text] Caracas, 1 Oct (EFE)—Instability in Venezuela has prevailed in the last few hours following rumors of the arrest of 18 officers, which were denied by the government today, the suspension of permits for military officers, and the search of some 300 homes for conspirators.

President Ramon Jose Velasquez said last night, however, that his government is guaranteeing that constitutional order will not be broken. The head of state made the announcement in a ceremony to commemorate the 57th anniversary of the Supreme Electoral Council. "I can assure you that we are on the right path toward the 5 December 1993 elections," he said.

EL DIARIO DE CARACAS, on its front page, stated that 18 mid-level officers from the four branches of the Armed Forces were arrested at 1600 (2000 GMT) last Thursday and that the security forces have conducted some 300 house searches since Wednesday night.

EL NACIONAL reported that Caracas is "under military control" given the persistent rumors of public order disruption. According to the newspaper, the National Guard took over television stations, aqueducts, and the areas where the television and cellular telephone antennas are located and stepped up its surveillance at electricity service installations and airports.

Military patrols were increased in poor districts, such as the "23 Enero" neighborhood. Protection at Miraflores Palace, the seat of the Presidency, was reinforced with tanks.

Vice Admiral Radames Munoz Leon, defense minister, who has been in the middle of the controversy during the last few days, has denied that officers had been arrested or were being questioned. Munoz Leon admitted in statements made to EFE that there were military movements, but he said they were done on the "expressed request" of radio and television stations and businesses concerned about the rumors. The minister said the rumors are being investigated and added, after admitting that disorders could take place, that "to speak of a coup d'etat is to be reckless."

Rumors about possible altercations increased following the implementation today of the value added tax, which, according to critics, will increase inflation.

Interior Minister Carlos Delgado Chapellin said on Wednesday that the government knew about a subversive plan to promote a social explosion among the poorest sectors, which would force the Armed Forces to intervene. According to the minister, the plan is to promote another "Caracazo" [violent looting and disturbances in Caracas in February 1989 after President Carlos Andres Perez decreed stringent economic measures], which was repressed by the Army and resulted in several hundred deaths.

On that occasion the people's protest was spontaneous and now, according to the government, the subversive groups are trying to promote it by taking advantage of the climate of discontent.

The wave of rumors adds to the decision made by the president to reject a discharge request made by one of the leaders of the coup attempt on 4 February 1992, Lieutenant Colonel Francisco Arias Cardenas, who was going to be candidate for senator for the Radical Cause Party. Defense Minister Munoz Leon said that Arias Cardenas must wait for in active service, and in prison, a sentence for his participation in the coup attempt.

Meanwhile, Andres Velasquez, Radical Cause Party presidential candidate, said the refusal to grant a discharge for Arias Cardenas is a "human rights" violation, and he announced that his party would resort to legal action to demand his right to participate in the electoral process as a voter and candidate.

New Student Protests Break Out

PA0110180393 Paris AFP in Spanish 1719 GMT 1 Oct 93

[Text] Merida, Venezuela, 1 Oct (AFP)—A new wave of university student disturbances broke out Friday in Merida, an Andean city located 500 km southwest of Caracas, resulting in a burned truck and clashes with policemen that led to the suspension of classes at the University of Los Andes (ULA) in Merida, authorities have reported.

According to their spokespeople, the university students were protesting the 30 September raids on their dormitories following earlier demonstrations during the week.

University violence flared in Venezuela after 23 September when a university student march demanding budget improvements was repressed violently by the police and militarized National Guardsmen, resulting in the death of a university employee and dozens of injured. The following day disturbances broke out in Caracas and in four other cities of the interior, including Merida.

The violence heightened this week, especially following the disaster of the gas pipeline explosion in the outskirts of Caracas, killing 70 people, who were in transit on the modern freeway, which connects the capital with the western part of the country at the time.

Coup Ruled Out

PA0210013493 Caracas Venezolana de Television Network in Spanish 0012 GMT 2 Oct 93

[Report by Cecilia Pachano; from "The News" newscast]

[Text] The possibility of a coup d'etat in Venezuela does not exist, Defense Minister Vice Admiral Radames Munoz Leon has reiterated once more. In an impromptu news conference, Vice Admiral Radames Munoz Leon explained that the wave of rumors prompted some media source directors to request protection. He insisted on the speculative character of rumors, while denying the alleged arrest of soldiers as a result of a new foiled coup attempt.

[Begin Munoz recording] Caracas has not been militarized. Not even when the real threat posed by last Thursday's march existed was Caracas militarized. Caracas was not militarized last night either. Simply, security was reinforced around television stations and some radio stations that requested extra security; hear me correctly: that requested extra security. [end recording]

Concerning the investigation currently underway to determine the source of the rumors, he said that authorities have made progress and as soon as they obtain evidence, they will report it to the public and those responsible will be brought to trial.

The defense minister also commented that those who have criticized his statements for supposedly making political assertions are the ones who requested that the military be allowed to vote. He explained and insisted once more that the Armed Forces will respect and consider the person elected on 5 December as president of the Republic.

Shootout at Presidential Retreat

PA0210183993 Madrid EFE in Spanish 1649 GMT 2 Oct 93

[Text] Caracas, 2 Oct (EFE)—Although the Venezuelan Government and Defense Ministry are insisting the situation in the country is one of absolute tranquillity and remains completely under control, newspapers are reporting today, Saturday, about the existence of subversive groups reportedly trying to seize power through violent means.

Several local newspapers are quoting unidentified Army officers, who say several military officers and civilians have been arrested for allegedly being involved in the subversive plots. Meanwhile, Defense Minister Vice Admiral Radames Munoz Leon reiterated today that no one has been arrested, but he admitted it is impossible to say that no officers are involved in destabilization plans because the Army cannot have full control over "all 100,000 of its members."

Rumors concerning the possibility of military and civilian sectors planning a coup d'etat intensified this week, especially after the interior minister disclosed the discovery of a subversive plot to seize power by force.

EL DIARIO DE CARACAS reported today that in the eastern part of the country, particularly in the states of Sucre, Anzoategui, and Monagas, the Army is "searching for 120 armed men linked to the subversive plots." Meanwhile, EL NACIONAL said there was a fierce shootout last night near "La Guzmania," a country house used by the president of the Republic and which is located in the town of Macuto, some 40 km from Caracas.

The wave of rumors was sparked by a concentrated security operation in which the Army heightened surveillance at strategic points, such as television and radio stations, access roads to the capital, and telecommunications installations. Defense Minister Munoz himself admitted the security measures came in part in response to the rumors, but he explained that in the cases of the television and radio stations, they had asked the Army for special protection.

Persistent rumors are also being repeated in political circles, and some political parties are even accusing and trying to link one another to the possible conspiracy. Luis Emilio Rondon, leader of the social democratic party Democratic Action [AD], directly accused the Radical Cause Party of being behind what he called an "institutional blow" designed to thwart the scheduled 5 December presidential elections.

Radical Cause, which is rooted in the labor union movement and whose candidate is Andres Velasquez, was accused of being linked to the two military coup attempts that took place on 4 February and 27 November 1992, but these charges have been officially dropped.

Radical Cause spokesmen, meanwhile, claim AD leaders are the ones trying to prevent the elections from being held, especially to protect former Presidents Jaime Lusinchi (1984-89) and Carlos Andres Perez (1989-93), two party members who are facing charges of corruption.

Writer Arturo Uslar Pietri said it is very difficult for someone to make an attempt against democratic stability

with elections only two months away, but he did not deny that there may be groups interested in thwarting the elections.

Nevertheless, Defense Minister Munoz Leon said the Armed Forces will guarantee that the elections are held and that they will support the winner because "the Venezuelan people want the elections and want to vote."

Rebels Linked to Past Attempts

PA0210202793 Paris AFP in Spanish 1831 GMT 2 Oct 93

[Excerpts] Caracas, Oct 2 (AFP)—This past week, Venezuela experienced tragic and tense days when its precarious confidence in the future collapsed following a wave of coup rumors, the implementation of a new tax, and after at least 70 people were killed in a gas pipeline explosion on the outskirts of Caracas.

Analysts reported that the country returned to the persistent topics of the political, economic, and social crisis and renewed threats of an alleged coup following two days of bloodcurdling information that detailed how 70 people were reduced to ashes in a dreadful fire that resulted when a mechanical shovel, which was being used to install an fiber-optic network along one of the busiest highways in the country, hit a gas pipeline, allegedly because of the negligence of one of the firms involved in the accident.

Even today, despite the fact that officials have insistently denied the coup rumors, the national press reported that the top military command is investigating the origin of the information on the plot and its alleged ties to presumed subversive groups. [passage omitted]

The domestic press reported that the militarized National Guard has, since Thursday night, increased surveillance of the Miraflores Presidential Palace in the center of Caracas; the urban La Carlota Airport, where the Air Force General Command is headquartered; the Fort Tiuna military citadel in southeastern Caracas; and electrical, water, and telecommunications facilities.

Furthermore, the daily EL NACIONAL reported today that a Military Intelligence Directorate report has revealed the existence of extremist rebel groups financed by Colombian narco-guerrilla groups that have even been linked to the coup attempts of the past year. [passage omitted]

Velasquez Dispels Coup Rumors

PA0310020693 Caracas Venezolana de Television Network in Spanish 0040 GMT 3 Oct 93

[From "The News" newscast]

[Excerpt] President Ramon Jose Velasquez came to the Teo Capriles cycle track in El Paraiso to initiate a routine event that takes place year after year throughout Venezuela: the presentation of school equipment, clothes, and shoes to all elementary school children. Velasquez expressed encouragement for the coming school year to the people who attended the event. He clearly established his position regarding strong rumors that have spread through the country concerning an alleged coup d'etat.

[Begin Velasquez recording] One thing I am aware of is the maturity of all sectors of the Venezuelan population. The existence of opposition, criticism, and debate is normal in all democratic countries. However, it is the government's duty to maintain a balance by listening to every bit of information and resolving problems.

I am optimistic, profoundly optimistic, because of one thing: the maturity of our democratic awareness. [end recording] [passage omitted]

Finance Minister Explains Value-Added Tax

PA0110222293 Caracas Radio Caracas Television Network in Spanish 0105 GMT 1 Oct 93

[Statement by Finance Minister Carlos Rafael Silva; date and place not given—recorded]

[Text] The value-added tax [VAT] in Venezuela will go into effect on 1 October. The history of Venezuelan public finances will mark this date as an important event for the country. It is a phase that virtually links the country's fiscal revenues to the state's taxation efforts.

This is a contrast to our tradition of living off the resources produced by petroleum. Those were happy times for Venezuelans, but world events have unfortunately made us realize that we must stop relying on them. As a result, we Venezuelans will have to finance national public expenditures with our own funds.

As the name suggests, the VAT is levied on each phase of the production process and on a fraction of the total value of that tax [sentence as heard]. This system will prevent something that is highly negative from occurring; that is, the accumulation of taxes for factors linked to consumption or the rendering of certain services.

The idea of a VAT in Venezuela is not new. In 1958, the Finance Ministry hired qualified U.S. and British experts, who suggested, as an option to collecting our own resources, the creation of certain taxes, including the VAT. That measure was postponed for decades.

The fact that it was not adopted until now does not necessarily mean that the government is pleased to levy taxes on our compatriots. It means that we are facing a difficult financial situation. The details were disclosed earlier, and I had the opportunity to discuss them before the Chamber of Deputies of the Congress of the Republic when, on behalf of the president of the republic, I presented the Enabling Bill to the legislature.

I said that one of the most serious evils that had remained unknown until now was the inflationary process we have faced. It has increased the price of products

we purchase daily in the market, adversely affected the exchange rate between our currency and the U.S. dollar, which is our point of reference, and increased interest rates in the Venezuelan financial system, thus making it virtually impossible to conduct legal economic activities.

The VAT model that we have now established has been praised by qualified foreign experts. A true authority on this issue recently visited us, and he told us that the concept of the law, the administrative steps taken for its adoption, and even the data processing system prepared for tax collection are flawless.

Perhaps our only problem is that we have not given adequate publicity to this new tax. That is what we plan to do with this presentation, which will be followed by many other reports through visual methods in both the written and spoken media.

The VAT will begin to be implemented primarily at the wholesale level, as established by the law that authorized the president of the Republic to adopt the pertinent legislative measures through a cabinet council. It was prudent that we acquire experience in handling this new tax before we move on to more complex stages.

That is why the tax, which will begin to be collected tomorrow, 1 October 1993, will be charged mainly to wholesalers and to those who provide services. Only after 1 January 1994 will the tax be charged on retail sales.

We hope this tax will help check inflation. Nonetheless, this cannot be the only action. We will have to complement it by reforming other laws, including the income tax, the tax on entrepreneur assets, the tax on fiscal stamps, and the law on the judiciary rates. All of this must to be accompanied by a very honest, efficient, and rational management of public funds.

We trust that in the future our fellow countrymen will be more demanding regarding the management of Venezuelan public finances, whom they will entrust with guiding the country's fate, and whom it will send to the legislature to approve laws that are useful for Venezuela and Venezuelans. Thank you for your attention.

Ochoa Meets With U.S., Latin, Japanese Officials

PA0210032393 Caracas EL NACIONAL in Spanish 29 Sep 93 p A-2

[Text] New York City—The United States has asked Venezuela whether it is prepared to receive international observers for the forthcoming 5 December elections within the framework of the Bill Clinton administration's interest, read concern over democratic instability, in the country's political situation.

Venezuelan Foreign Minister Fernando Ochoa Antich, who is in New York to attend the ongoing UN General Assembly sessions, met yesterday with important U.S. Government officials: Alexander Watson, under secretary of state for Inter-American affairs; Richard Feinberg of the National Security Council; and Harriet Babbitt, U.S. ambassador to the OAS. On Monday evening, Ochoa spoke with Secretary of State Warren Christopher and addressed President Bill Clinton. The Venezuelan-U.S. dialogue dealt with the importance of the forthcoming presidential elections in assuring a peaceful transition.

Libya was another discussion topic on the agenda. Representatives of the al-Qadhdhafi government are lobbying to lift the embargo on Tripoli in the forthcoming vote, and the Clinton administration is lobbying to maintain it. Ochoa also met with Umar Mustafa al-Muntasir, Libya's secretary of the General People's Committee for the People's Bureau for Foreign Liaison and International Cooperation.

The Venezuelan foreign minister also met with Japanese Foreign Minister Tsutomu Hata as part of his contacts with the Rio Group. The meeting the Rio Group foreign ministers' held yesterday with the Japanese foreign minister was intended to strengthen ties between Latin America and Japan. The meeting was "very positive," according to Chilean Foreign Minister Enrique Silva, the group's coordinator. For the second year in a row, the Rio Group foreign ministers met with their Japanese counterpart outside the framework of the UN General Assembly sessions in New York.

Latin American sources have reported that the Japanese foreign minister will probably visit Brazil during the first quarter of 1994 to reciprocate a visit that the so-called troika, Chile, Argentina, and Brazil, made to Tokyo in May.

The foreign ministers discussed several issues, including the Uruguay round of GATT, trade between Japan and the Rio Group countries, and the possibility of holding meetings to study the need to change UN structures.

Ochoa Antich also met officially with the foreign ministers of Paraguay and Argentina, and informally with the foreign minister of Brazil. Sources close to the Venezuelan foreign minister in New York have denied reports that Brazil filed a protest over Ochoa's statements on the Brazilian Government's policy on the Amazon and the Indian reservations region and that Sebastian Alegrett, Venezuela's ambassador to Brazil, has been called to Itamaraty.

In addition, a Venezuelan foreign minister and a representative of the PLO, Faruq al-Qaddumi, met for the first time as scheduled. Venezuelan Foreign Ministry spokesmen in New York have reported that Ochoa congratulated al-Qaddumi on the agreement reached by the PLO and Israel. Qaddumi asked Venezuela to authorize the installation of a PLO office in Caracas, a request that will be analyzed by the government and that could be satisfied. The two discussed the issue of Palestinians living in Venezuela.

The Venezuelan foreign minister also met with Argentine Foreign Minister Guido Di Tella, who yesterday reiterated to the international community that his country has "well-founded, obvious, and sovereign rights over the Malvinas, South Georgia, and South Sandwich Islands," noting that the peaceful and negotiated recovery of insular territories remains a permanent principal issue of Argentina's foreign policy.

In a speech at the 48th annual session of the UN General Assembly, the Argentine foreign minister said that Buenos Aires is prepared to initiate negotiations with Great Britain over the Malvinas Islands issue.

Oil Industry To Invest $48.5 Billion Over 10 Years

PA0110230493 Caracas Radio Caracas Television Network in Spanish 0200 GMT 1 Oct 93

[From "The Observer" Newscast]

[Text] According to a plan that Gustavo Roosen, president of PDVSA [Venezuelan Petroleum], presented to the media on 30 September, the petroleum industry will invest $48.5 billion over the next 10 years.

The increase in production approved by OPEC will allow PDVSA to meet its fiscal contribution for 1993, 550 billion bolivares, thus compensating for the drop in oil prices that occurred this year, a drop that was not correctly estimated in December 1992.

Announcing the guidelines of the plan that will be implemented over the next 10 year, PDVSA President Roosen said that, the PDVSA goal is to reach a production potential of 4 million barrels per day by the end of the period, the year 2002. This represents 1.2 billion more than the current production figure. Although PDVSA is optimistic about the future, Roosen said that the next three years will be truly difficult for the oil market.

[Begin Roosen recording] Investments of $48.5 billion will be needed for the oil, petrochemical, coal, and (orimulsion) sectors. Sixty percent of this amount will be provided by the Venezuelan oil sector and 40 percent by the private sector. This is in line with the plans that we have outlined here this morning. The contribution by the private sector is basically established in operative agreements for inactive fields, strategic efforts for liquefied gas and extra heavy crudes found in the strip [la faja], and a method of participation in the development of light and medium crudes in areas that have been seldom explored. These are high-risk areas which we are proposing to the country in this 10-year plan. [end recording]

Guyana

Parliament Passes Elections Commission Bill

FL0110133093 Bridgetown CANA in English 1246 GMT 1 Oct 93

[Text] Georgetown, Guyana, Oct 1, CANA—Guyana's first municipal and local government elections in nearly two decades moved a step closer to reality with the passing on Thursday [30 September] of a bill strengthening the elections commission. All 49 government and opposition MP's [Members of Parliament] present in the 65-seat Parliament threw their support behind the bill, which took almost nine months to be enacted.

The Constitution (Amendment) Bill 1993 repeals and re-enacts a crucial article of Guyana's Constitution and paves the way for the appointment of a non-judicial person to hold the post of elections commission chairman. It also allows the commission to select and appoint its own staff. Municipal and local government elections have to be held by June, 1994.